Diversity leader: Case study of a selected organization's transformation

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DIVERSITY LEADER: CASE STUDY OF A SELECTED ORGANIZATION’S
TRANSFORMATION

by

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ABSTRACT

Diversity Leader: Case Study of a Selected Organization’s Transformation

by

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Diversity initiatives have evolved from a focus on compliance-oriented training to a systematic approach which integrates the many dimensions of diversity in all aspects of business to enhance performance through the practice of organization development (OD) (Bendick, Egan, & Lofhjelm, 2001). Many organizations have implemented short term solutions to address the demographic changes in the workforce, but have had minimal results. When diversity interventions are conceptually grounded in organization development practices the results are much more substantial for both the employees and the organization (2001).

The purpose of this qualitative case study was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of implementing diversity initiatives successfully in one hospitality organization. Key findings indicate that OHI utilized the following concepts and strategies while instituting change relating to their diversity efforts: Leadership Commitment, Corporate Values, Education, Communication, Accountability, and Organizational Infrastructure. The findings from this study can assist in highlighting key strategies for implementing diversity interventions that are perceived to be successful for improving future diversity initiatives. It can assist organization development (OD)
consultants; workplace learning and performance (WLP) practitioners and human resource (HR) managers develop a better understanding using a systems approach for addressing diversity.
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“Learning is not attained by chance, it must be sought for with ardor and attended to with diligence” - Abigail Adams, 1780

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CHAPTER ONE

INTRODUCTION

Projections released by U.S. Census Bureau, state that by 2042 the single white-race population in the U.S is expected to become the minority and by 2030, nearly one in five U.S. residents is expected to be 65 years and older (Bernstein & Edwards, 2008). This demographic change is transforming the United States into a multicultural and multigenerational population, one which will impact the U.S. workforce for decades to come. This evolution has altered the way most companies, large and small, conduct business: causing organizational leaders to seek solutions that attract and retain diverse talent (Ivancevich & Gilbert, 2000). In particular, the hospitality and tourism industry “employs over 8.8 million people, second only to the U.S. government – and it is estimated that more than 1.6 million new workers will be needed in the coming decade to keep pace with demand” (Goodwin & Associates, 2009, ¶3). As the minority labor force expands, managerial and administrative positions do not reflect these demographic changes. Continued challenges for the hospitality and tourism industry will be to ensure that diversity is represented in all levels of the organization, not just in entry level or low skilled positions (Goodwin & Associates, 2009). A diverse workforce is often not seen in leadership positions within most corporations, therefore implementing diversity programs is an essential part of organizational growth and it is imperative for maintaining a competitive advantage (Kreitz, 2008).

The business case for diversity has emerged as a key strategy in a globally competitive market and has become an important business function for American
businesses. With the labor pool and the customer base becoming more diverse many organizations are attempting to capitalize on these demographic changes (Dansky, Weech-Maldonado, De Souza & Dreachslin, 2003). Several studies show that “culturally diverse organizations outperform their more homogeneous counterparts” (2003, p.243) and research has identified potential positive outcomes (Dreachslin, 2007; Egan & Bendick, 2007; Harrison & Klein, 2007; Kreitz, 2008; O’Leary & Weathington, 2006; Richard, Kochan & McMillan-Capehart, 2002; Thomas & Ely, 1996). However, the literature is still mixed about which strategies are most the successful for creating a just and inclusive culture in U.S. organizations.

Purpose of the Study

Diversity and diversity management have become an organizational imperative in the U.S. workplace (Buttermar, Haapaniemi, Sine, & Taylor, 2008). Despite the efforts for addressing diversity issues, solutions that sustain a culture of acceptance and inclusion remain ambiguous. A growing body of research examines compliance issues (Dreachslin, 1996; Dass & Parker, 1999; Ivancevich & Gilbert, 2000; Anand & Winters, 2008), but there is limited empirical research exploring key factors for instituting and implementing diversity initiatives as an organizational function (Blake-Beard, Finley-Hervey, & Harquail, 2008). According to Blake-Beard et al (2008), examples of organizations implementing diversity initiatives are more superficial than substantial. Therefore, the purpose of this exploratory case study was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives.
and to investigate the process of implementing diversity initiatives successfully in one hospitality organization.

Research Questions

The following questions guided this study:

1. What are the perceived influential factors of effective organizational change for instituting diversity initiatives in one hospitality organization?
2. What was the process for implementing diversity initiatives within this organization?

Significance of the Study

Diversity initiatives are now recognized as potentially powerful tools in business (Robinson & Dechant, 1997). Most companies acknowledge the importance of addressing diversity, but have only recently begun to capitalize on the opportunity to produce creative solutions for business problems. Many companies are managing diversity, however only a small percentage is doing it well. As previously stated, the implementations of diversity initiatives in U.S. companies are often lacking a holistic approach needed to move from and entrenched organizational culture to one which reflects inclusive practices (Allen & Montgomery, 2001; Dansky, Weech-Maldonado, Souza & Dreachslin, 2003; Egan & Bendick, 2008).

Epistemological Grounds for Studying Diversity

Epistemology refers to the various philosophical frameworks that are applied to the understanding and explanation of the world. It contains theories of what knowledge is,
the process of how it comes into being, and how it is obtained (Gladwin, Kenelly & Krause, 1995). It is necessary to use a theoretical perspective for the design of a study that is capable of including multiple viewpoints. Based on epistemological utility, several theoretical perspectives might be used at the same time on the same topic or within the same research program; a plurality rather than a singularity of perspectives chosen on the basis of their suitability with respect to issues of validity (Reason & Rowan, 1982). This multi-perspective approach is supported by Guba’s (1990) research of alternative paradigms and Flood’s (1995) research of systems theory.

This exploratory case study views diversity as a complex social process adopting transcendental realism (Lawson, 1997). Transcendental realism is based on the premise that there is more to the reality of an observable social phenomenon, arguing that "the world is composed not only of events and states of affairs and our experiences, but also of underlying structures, powers, mechanisms and tendencies that exist, whether or not it is detected, governed or facilitated by actual events" (Lawson, 1997, p.20). An additional characteristic of transcendental realism is system openness, caused by the hierarchical stratification and emergence of multiple levels. This attribute echoes the central theme for this study, systems theory, which speculates that all systems are maintained by a dynamic process of interactions and interdependency with and between system elements, the systems itself, and other systems (Simon, 1962).

Conceptual Frameworks

This study adopted two conceptual models. First is the concept of organization development (OD). OD is a “system-wide application of behavioral science knowledge
to the planned development, improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness” (Cummings & Worley cited by Rothwell & Sullivan, 2005, p. 168). This study focused on how diversity initiatives could be sustainable through various interventions and processes involving those who are affected by a changing organizational culture (2005). According to Rothwell & Sullivan “the ability to manage change successfully may set leaders apart from followers” (2005, p.14).

Companies are advised to utilize OD concepts that support the type of long-term change necessary for creating a diverse culture and emphasize a planned change process involving the entire organization (French, Bell & Zawacki, 2005). The four key distinctions of OD are: (1) long range planned strategies, (2) supported change by top managers, (3) applied organization-wide learning, and (4) collaborative participation of all employees (Rothwell & Sullivan, 2005). “OD is utilized as an adaptable and real-time discipline that encounters living systems that require feedback to govern next moves and adjustments. It is interactive. It is relational. It is super-engaging. It is participative” (Rothwell & Sullivan, 2005, p.21).

A culture of diversity and organizational change are interconnected and requires a whole system approach. Systems thinking is necessary for diagnosing, implementing and evaluating the success of those change efforts. In order to create successful changes, all aspects of the organization must be analyzed, specifically the way top management operates (Rothwell & Sullivan, 2005).

The second conceptual framework used for this study was Cox’s Change Model for Work on Diversity (Cox, 2001). This model was utilized for describing the process of
instituting and implementing diversity initiatives in one organization that has been recognized as a leader. Cox’s model consists of five components: leadership, research and measurement, education, alignment of management systems, and follow up (See Figure 1.1). According to Cox (2001) an effective organizational change effort should include all of these elements. As the flow of the arrows suggests, the change effort cycles through all of the elements and is continually assessed and refined over time in a process of continuous loop learning. The key to Cox’s model is cooperation and communication. Without the cooperation and communication between components, the goals of the organization and the structure of the system will fail.

Definition of Terms

The following terms are defined as they are used in this study.

- **Corporate Culture:** Basic assumptions and beliefs that are shared by members of an organization, that operates unconsciously, and that is defined in a basic “taken-for-granted” fashion an organization’s view of itself and its environment. These assumptions and beliefs are learned responses to a group’s problems. They come to be taken for granted because they solve those problems repeatedly and reliably (Schein, 1995, pp.6-7).

- **Cultural Diversity:** The inclusion and acceptance of the unique worldviews, customs, norms, patterns of behavior, and traditions of many groups of people (Plummer, 2003, p.9).

- **Cultural Competence:** The capacity to function effectively with all cultures and to successfully navigate a multicultural society (Plummer, 2003, p.14).
Figure 1.1 Change Model for Work on Diversity

• **Diversity:** Differences among people with respect to age, class, ethnicity, gender, health, physical and mental ability, race, sexual orientation, religion, stature, education level, job level and function, personality trait, and other human differences (Plummer, 2003, p.9).

• **Diversity Management:** Uses applied behavioral science methods, research and theory to manage organizational change and stability processes, that support diversity in organizations and eliminate oppression based on race, gender, sexual orientation, and other human differences, in order to improve the health and effectiveness of organizations while affirming the values of respect for human differences, social justice, participation, community, authenticity, compassion, protection and humility, effectiveness and health, and lifelong learning (Brazzel cited by Plummer, 2003, p.51).

• **Leveraging Diversity:** Enhancing organizational effectiveness and performances by making use of the different perspectives, experiences, and abilities that people bring to the workplace (Plummer, 2003, p.14).

• **Organization Development (OD):** A planned change process, managed from the top, taking into account both the technical and human sides of organization and using inside and outside consultants in the planning and implementation of the changes to be made (Schein cited by Rothwell & Sullivan, 2005, p.168).

• **Organizational Cultural Competence:** The capacity to function effectively with all cultures and to make creative use of a diverse workforce in a way that meets business goals and enhances performance (Plummer, 2003, pp.14-15).
• **Planned Change:** Key ingredient in any definition and application of OD resulting from an extensive assessment of the situation and then plans for customized interventions that are created to increase organizational excellence (Rothwell & Sullivan, 2005, p.17).

• **Systems Thinking:** Collaborative spirit of an engaged system to meet customer requirements and create success both for the system and for their customers (Rothwell & Sullivan, 2005, p.26).

Limitations and Assumptions of the Study

The extent and range of this study was met by several limitations and assumptions. Although the intention was to learn about the change processes involved in becoming an organization recognized for “best in practice” in diversity. The scope of the study was restricted. The following factors should be considered when reviewing the study:

1. The participants who were interviewed for the study included two executives in the corporate office of a large complex organization in the hospitality industry. Given the size of the organization, the information gained from these two interviews may not represent or explain completely the phenomena being studied.

2. The findings of the study were based primarily on the perceptions of the interviewees.

3. The quality of the interview data was dependent on the emotional state of the interviewer and the interviewee and the level of rapport between them.
4. Interview responses could be affected by recall errors and the possible self-serving nature of replies.

5. The interpretation of the findings may be biased by the subjectivity of the researcher (Yin, 2003).

6. The findings of this study may not be generalized to any other group or organization.

It is assumed in the study that diversity programs attempt to improve the relationship between or among people in working environments.

Summary

Diversity continues to be a relevant business strategy and executive leaders actively seek solutions in response to the unprecedented changes in both the United States’ and global workforce. As organizations explore ways to leverage diversity, there is a need to identify sustainable solutions. This chapter provided background for the study.

The following presents an overview of how this thesis is organized. Chapter 1 introduces the purpose of the study, its significance, the conceptual frameworks, limitations of the study and terms are defined. Chapter 2 examines the literature which explains the history of diversity and various diversity management approaches that have been executed in corporations across America. Research in this area provides important insight for developing appropriate benchmarks and offer guidance for implementing successful programs which can leverage a diverse organizational culture. Chapter 3 provides a comprehensive explanation of the research methodology which was utilized. Chapter 4 reports the results of the analysis conducted for this study. Chapter 5 presents
the conclusions drawn from the study, a discussion of the implications and offers recommendations for future research.
CHAPTER TWO

LITERATURE REVIEW

The purpose of this exploratory case study was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of implementing diversity initiatives successfully in one hospitality organization. This literature review will include a brief description of the history of diversity; advantages of being culturally competent; paradigms/perspectives of diversity management; and a summary of the business case for diversity. In addition, theories and models of organization development and change management are further explained as a way to understand the organizational context surrounding diversity interventions.

Diversity Defined

Cox (2001) defines diversity as “the variation of social and cultural identities among people existing together in a defined employment or market setting” (p.3). Cox and Smolinski (1994) define diversity as “the representation of people of different group identities in the same organization social system” (p.12). Generally defined, diversity is multidimensional, but 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).

The term diversity refers to the presence of a wide variety of cultures, ethnic groups, languages, physical features, socio-economic backgrounds, opinions, religious beliefs, gender identity, and neurology within a one population. Diversity, in this study, will be
defined as it is above but within an organizational context.

When organizational leaders became aware of the demographic changes in the workforce and consumer base, it became apparent that a focus on organizational diversity was critical. As a result of legislation mandating Equal Employment Opportunity and Affirmative Action, leaders and managers began to examine the employment demographics within their own companies (Plummer, 2003). “In an organizational framework, diversity refers to making use of and leveraging human differences toward organizational effectiveness and productive business goals” that maintain a high performing workforce (2003, p.13). A potential benefit of diversity will be to promote “organizational effectiveness in creativity, marketing, problem-solving, and quality of decision making” by being conscious of individual identities (Cox, 1993, p.251).

When identifying individual diversity, it is suggested one distinguishes between the primary and secondary dimensions. 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) such as age, ethnicity, gender, physical abilities/qualities, race and sexual orientation. Secondary dimensions 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 are extremely important because they influence people’s identity, how they define themselves in the world, and how others react to them (1991). Figure 2.1 below shows both primary and secondary dimensions of diversity. The inner circle represents the primary dimensions and the outer circle represents the secondary dimensions.
Figure 2.1 Primary and Secondary Dimensions of Diversity

Source: Loden, M., 1996, p.16.
Historical Background

Diversity can be one of the most controversial and least understood business topics because of the issues regarding quality, leadership, and ethics (Anand & Winters, 2008). Although its effectiveness has been questioned over the past 30 years, diversity training has become a common practice in the corporate arena. The emphasis of training has evolved from compliance-oriented content to one focusing on acceptance and leveraging of all dimensions of diversity based on the belief that it will enhance business performance (2008).

The Civil Rights Act of 1964 launched government legislation such as Title VII that prohibits employment discrimination based on race, color, religion, sex and national origin (Thomas, 1991; Plummer, 2003; Anand & Winters, 2008). During this time, diversity training was implemented as a reaction to the Equal Employment Opportunity Commission (EEOC). Companies wanted to avoid negative publicity and costly lawsuits and as a result, organizations introduced training programs that mainly focused on delivering information on legal requirements to managers. The objective was to recite the law and company policy that dictated appropriate behavior in the workplace however, the content of these trainings did not connect how the recommended changes would improve business results. Therefore, these trainings made minimal impact (Anand & Winters, 2008).

By the early 1980’s President Ronald Regan deregulated polices and appointed Clarence Thomas as head of the EEOC who disapproved of a timetable to increase the underrepresented groups in the workforce. With less government regulations, companies
scaled back on affirmative action and equal employment trainings (Anand & Winters, 2008).

Anand and Winters (2008), cite the Hudson Institute which published a report in 1987, entitled *Workforce 2000*. This report was prophetic in many ways, predicting the retirement of the baby boomers, increased immigration, and the influx of women and ethnic minorities in the workforce. It also indicated that women, minorities, and immigrants would account for over 80 percent of the new entrants in the workforce. As a result of this report, corporations shifted and included in their discussions ways of retraining women and minorities (2008).

By the end of the 1990s, most corporations executed some form of diversity initiative and recognized the value of diversity as an ongoing business process. Many also embraced the philosophy that everyone needs to be aware and sensitive to the needs and differences of others to enhance working relationships (Anand & Winters, 2008). Most training programs generally focused on individual attitudes and appeared to have modest effects (Bendick, Egan, & Lofhjelm, 2001). Organizations with a diverse workforce continued to struggle with managing diversity successfully (Plummer, 2003).

Thomas (1991) shifted anti-discrimination initiatives from compliance to one which promoted diversity as a business imperative. He approached diversity from a management perspective and said:

…managing diversity means approaching diversity at three levels simultaneously: individual, interpersonal, and organizational. The traditional focus has been on individual and interpersonal aspects alone. What is new is seeing diversity as an
issue for the entire organization, involving the very way organizations are structured (1991, p.12).

He also argued that managing diversity went beyond race and gender and includes the primary and secondary dimensions of the individual (1991). On the organizational level, diversity management addresses issues such as business rationale, diversity strategic planning, recruiting and retaining a diverse workforce (Plummer, 2003).

Diversity Management

Diversity management is a cross-disciplinary field that draws research and theory from various applied behavioral sciences including: anthropology, economics, education, human resource management, organization behavior, organization development, political science, psychology, social work and sociology (Plummer, 2003, p.52). Managing diversity refers to “implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized” (Cox, 1993, p.11).

Paradigms for Managing Diversity

In an effort to better understand why companies should concern themselves with diversity, Thomas and Ely (1996) wrote an article entitled, Making Differences Matter: A New Paradigm for Managing Diversity, a research focused on the influence a diverse group of individuals can make on organizational effectiveness. They postulated that diversity goes beyond social justice to minimize adversities on underrepresented groups the corporate world, but is more insider information on niche markets. “Diversity should be understood as the varied perspectives and approaches to work that members of
Table 2.1

Thomas & Ely’s Three Paradigms of Diversity

<table>
<thead>
<tr>
<th>Discrimination and Fairness Paradigm</th>
<th>Access and Legitimacy Paradigm</th>
<th>Learning and Effectiveness Paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal Opportunity</td>
<td>Acceptance and celebration of difference</td>
<td>Different perspectives and approaches to work are valuable</td>
</tr>
<tr>
<td>Compliance with EEO regulations</td>
<td>Market-based motivation for competitive advantage</td>
<td>Acknowledgement that learning and relearning are central to leveraging diversity</td>
</tr>
<tr>
<td>Fair treatment</td>
<td>Motivation is to attract multicultural talent to understand and serve customers and gain legitimacy with them</td>
<td>Organization fosters personal development that brings out people’s full range of skills</td>
</tr>
<tr>
<td>Focus on the numbers</td>
<td></td>
<td>Recognition that employees often make business choices that draws on their cultural backgrounds.</td>
</tr>
<tr>
<td>Concern with creating mentoring and career development programs for women and people of color</td>
<td></td>
<td>We are all on the same team with our differences-not despite them</td>
</tr>
<tr>
<td>Supports assimilation and color and gender-blind conformism</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


different identity groups bring” (1996, p.2). Individuals from diverse backgrounds bring a plethora of knowledge that include perspectives about how to design processes, innovate solutions, reach goals, communicate effectively and lead teams (1996).
Thomas and Ely (1996) introduced three different paradigms: discrimination-and fairness paradigm, access and legitimacy paradigm and learning and effectiveness paradigm. The first two paradigms have directed most organizations on their approach to diversity. Table 2.1 illustrates Anand & Winter’s (2008) outline of the three different paradigms.

The Discrimination and Fairness Paradigm is one of the main diversity theories in practice today and resembles affirmative-action efforts. Instead of accepting and embracing the differences between people in the workplace, the discrimination and fairness paradigm tends to ignore all of those differences in the name of fairness (Thomas & Ely, 1996). The paradigm’s underlying logic can be expressed as follows:

Prejudice has kept members of certain demographic groups out of organizations such as ours. As a matter of fairness and to comply with federal mandates, we need to work toward restructuring the makeup of our organization to let it more closely reflect that of society. We need managerial processes that ensure that all our employees are treated equally and with respect and that some are not given unfair advantage over others (1996, p.2).

The Discrimination and Fairness Paradigm has increased demographic diversity and promoted fair treatment, but under this paradigm, everyone is the same and should assimilate, minimizing the opportunity to optimize the unique qualities each person has to offer (Thomas & Ely, 1996). The employees may be diversified, but not the work.

Companies that follow this paradigm are usually bureaucratic in structure where initiatives are enforced by top down directives. This color blind or gender blind idea can be beneficial in promoting fair treatment, but loses the prospect to explore how people’s
differences generate potential innovation to generate effective business practices. Success is often measured by recruitment and retention of underrepresented groups (Thomas & Ely, 1996).

The idea that diversity should be implemented in order to gain market share advantage is sometimes called the Access and Legitimacy Paradigm. Hiring diverse workers can give you access to markets that otherwise might be a challenge to conquer (Thomas & Ely, 1996). The legitimacy portion refers to the trust that is intrinsic when dealing with people that look similar to you. The underlying motivation of the access-and-legitimacy paradigm can be expressed this way:

We are living in an increasingly multicultural country, and new ethnic groups are quickly gaining consumer power. Our company needs a demographically more diverse workforce to help us gain access to these differentiated segments. We need employees with multilingual skills in order to understand and serve our customers better and to gain legitimacy with them. Diversity isn’t just fair; it makes business sense (1996, p.5).

The Access and Legitimacy Paradigm has led to new specialized and managerial opportunities for underrepresented groups. It has also increased competitive advantage in culturally dominant communities, but under this paradigm employees are sometimes pigeonholed in certain markets where they may feel exploited and closed to other opportunities in the organization. Cultural differences are emphasized within certain conditions but the skills, beliefs and practices that are unique are not identified or integrated to create a learning opportunities into the larger organization (Thomas & Ely, 1996).
The third paradigm, Learning-and-Effectiveness, incorporates aspects of the first two but goes beyond by connecting diversity to learning opportunities at work. Employee’s perspectives are integrated into rethinking primary tasks and redefining business practices (Thomas & Ely, 1996). Three distinctions of this paradigm are:

a.) it sees similarities and differences as dual aspects of workforce diversity;

b.) it seeks multiple objectives from diversity including efficiency, innovation, customer satisfaction, employee development, and social responsibility;

c.) it views diversity as having long-term as well as short term ramifications (Thomas & Ely as cited by Dass & Parker, 1999, p.72).

In an interview with Saposnick, Thomas describes the underlying motivation of the Learning-and-Effectiveness paradigm which can be expressed this way (2003):

When we talk about managing diversity, we’re referring to creating an environment where people’s differences in perspective can be valued and allowed to influence positively their experience in and contribution to the work of the organization. Because we work in dynamic environments whose constantly changing labor and customer pools require adaptation much of our ability to adapt lies in our ability to leverage diversity (2003, ¶7).

Organizations that have taken full advantage of the cultural differences of diverse employees are more productive and efficient. This may lead to new and transformational ways of doing business and placing these companies on the cutting edge of their industry. The process requires a high level of commitment from the whole organization (Thomas & Ely, 1996). The desire to create an organizational culture where everyone could work
in requires cultural competence and an environment that advocates for “inclusion” (Anand & Winters, 2008, p.362).

**Cultural Competence (CQ)**

Culture can strongly influence business. The term “culture” is often used interchangeably with “ethnicity,” “nationality” and “race” (Plummer, 2003, p.22). Culture influences the way an individual thinks and behaves and is most often transferred through family settings, educational systems and social experiences (2003). Everyone is culturally programmed from a variety of sources therefore; no one has the exact cultural identity (Gardenswartz & Rowe, 1993). One of the challenges of managing cultural diversity within organizations is allowing the individual to fully express themselves, while maintaining a respectful and cohesive work environment. An alternative solution to managing diverse backgrounds is employing cultural intelligence (CQ), the key competencies that are essential for individuals to better understand the impact of culture. The competencies necessary for cultural intelligence are: constant awareness, cultural understanding, and cultural intelligence skills (Bucher, 2008).

It is natural as humans to make judgments about other cultures that are different from our own. However, cultural comparison is not the issue. The concern is the tendency for some to see other cultures as less adequate and unfavorable which may lead to biases and stereotypical assumptions (Gardenswartz & Rowe, 1993). To minimize such results, cultural competence is necessary when managing diverse teams.

According to Bucher, employees with CQ can impact the overall success and survival of an organization (2008). CQ is a skill that can be learned, developed and managed. Bucher identifies nine specific mega-skills to promote cross-cultural understanding:
understanding cultural identity, checking cultural lenses, global consciousness, shifting perspectives, intercultural communication, managing cross-cultural conflict, multicultural teaming, managing bias, and understanding the dynamics of power. Cultural diversity of workers and customers affects everyone within an organization; therefore, CQ is viewed as an essential competency that impacts the bottom line (2008). Table 2.2 identifies the importance of cultural intelligence and distinguishes the rationale for developing CQ.

Cultural competence is defined as “a set of behaviors, attitudes, and policies that help organizations and staff work effectively with people of different cultures. It explores the rich dynamics of cross cultural interactions and provides individuals with knowledge and skill to bridge the gaps” (Lynch & Hanson, 1992, p.35). In a multicultural world and global economy, cultural misunderstandings can threaten effective operations. According to current management education, cultural competencies include (Egan & Bendick, 2007, pp.3-4):

- cultural self awareness – an understanding of the cultural conditions that shape an individual’s own values, assumptions and beliefs;
- cultural consciousness – sensitivity and adaptability to operate outside the comfort of one’s own culture;
- multicultural leadership – the ability to collaborate with and lead individuals with diverse cultural perspectives;
Table 2.2

Rationale for CQ

<table>
<thead>
<tr>
<th>Bottom-Line Issue</th>
<th>Rationale for Developing CQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoiding lawsuits and other forms of intolerance that devalue diversity and threaten productivity</td>
<td>Bias, including discrimination, is expensive. Even if it does not result in a lawsuit, bias wastes human potential and alienates customers.</td>
</tr>
<tr>
<td>Being flexible and innovative</td>
<td>Being able to shift perspective makes it possible to continually reexamine basic, traditional assumptions. In turn, this can foster development of new and better products and services and recognition of new opportunities.</td>
</tr>
<tr>
<td>Maximizing utilization of human capital</td>
<td>Respecting and valuing differences breaks down walls, increases trust, and improves performance.</td>
</tr>
<tr>
<td>Solving problems</td>
<td>Seeking, understanding, and evaluating multiple perspectives allows for better solutions.</td>
</tr>
<tr>
<td>Reaching out to a changing, global marketplace and new populations</td>
<td>Designing and developing products and services are much easier when we understand markets</td>
</tr>
</tbody>
</table>


- multicultural negotiations – an understanding of individual’s varying negotiating approaches, styles and “rules of the game”;
- “global thinking” – an appreciation of the strategic implications of global commerce.
As today’s global market becomes increasingly diverse, businesses must adapt in order to stay competitive. To improve the health and effectiveness of organizations, companies employ diversity management (Plummer, 2003). Cultural competence is just one of the components to assess and measure the current state and identify the organization’s business case for diversity.

**Business Case for Diversity**

Interest in diversity and diversity management continue to grow in both the academic and business communities (O’Leary & Weathington, 2006); however getting people to understand and support diversity is a process that requires continuous reinforcement (Gardenswartz & Rowe, 1993). Kahn and Gomez (as cited by Gardenswartz & Rowe, 1993) identify diversity as an internal and external workforce issue. Properly managed, diversity could improve community relations in addition to improving the organizational functions (O’Leary & Weathington, 2006). In order to attract potential customers and deliver the appropriate services, it is important that businesses understand their community and the residents (2006). “The business case also argues that it is important that organizations adequately represent the communities they serve, again with an eye on improving profitability by increasing the attractiveness of their employees to their customer base” (2006, p.6). Diversity related efforts should be aligned with key business goals (SHRM, 2008).

Cox (2001) states that, well-managed diversity can add value to an organization by (1) improving problem solving, (2) increasing creativity and innovation, (3) allowing for organizational flexibility, (4) improving the quality of personnel through better
recruitment and retention and (5) using effective marketing strategies, especially for organizations that sell products or services (2001, pp.19-22). Diversity impacts the ability to achieve organizational goals and influences the attitudes of employees (2001).

Recognizing that all employees bring a unique quality to the workplace, diverse perspectives can offer alternative solutions and innovative approaches to business problems (Cox, 2001; O’Leary & Weathington, 2006). Furthermore, it has been argued that diversity can potentially provide competitive advantage for organizations through increased creativity and problem solving capabilities (Richard, Kochan & McMillan-Capehart, 2002).

Diverse teams can produce better results than their homogenous counterparts (Cox, 2001; SHRM, 2008). Recognizing that the subject of diversity in business has reached a critical state, the Society of Human Resource Management (SHRM) in 2007 conducted the largest and most comprehensive study on the state of workplace diversity management in the U.S. (2008). SHRM identified ten global trends that are expected to have a major impact on the workplace of the future (2008, pp.10-11):

1. Desire of companies to expand into the global market.
2. Economic growth of Asia.
3. Continued acceleration of global change.
6. Growing economic interdependence among the world’s countries.
7. Increased off-shoring.
8. Heightened awareness of cultural differences.
9. Pressure for development of global labor standards.

10. Increased security for expatriates aboard.

Furthermore, talent acquisition is going global. Emerging countries are producing university-educated young professionals four times the rate of the United States (2008).

Considering the global realities and the organizational goals, business success will require strategic planning for diversity in order to capitalize on the “interaction between, and collaboration among, people of diverse cultures, religion, histories, and perspectives” (SHRM, 2008, p.12). Diversity integration requires a strategic long-term commitment.

Strategies for Diversity Management


Implementation of diversity initiatives depends on pressures, perspectives and strategic responses. The episodic approach is viewed as a marginal issue and these initiatives tend to be isolated and separate from core organizational activities (Dass & Parker, 1999). Companies who implement the freestanding approach usually experience moderate pressure. These programmatic initiatives are formal but are not integrated fully with business core activities. When diversity is considered as a strategic issue, company executives usually adopt a systematic approach where diversity initiatives are comprehensive and integrated into the existing system (1999).

Organizational learning from a diversity perspective is a systematic approach which is incorporated through multiple applications: organization development, transition management, transformational leadership, action research, reengineering, total quality
management and team learning. Although top executives usually select the strategy used to approach diversity, it is the middle and lower level managers who must implement the programs and the line level employees who must put them into operation (Dass & Parker, 1999).

In general, diversity initiatives are an amalgamation of ideas and approaches and will not be as isolated as those represented in Figure 2.2 (1999). Matching internal resources with external opportunities will determine the strategy. Often times conflicting pressures and approaches exist within a single organization. As executive leaders select the appropriate strategy for diversity, they must also identify their individual business goals. When selecting a strategy, “consistency between perspectives and action is certain to reduce employee confusion about roles they are expected to play in managing diversity” (1999, p.78). Figure 2.2 illustrates a matrix that combines the four perspectives (reactive, defensive, accommodative and proactive) the associated strategic response towards diversity, and the three general approaches to implementing diversity initiatives.

Considering global realities, business success will require long range strategic planning that is supported by top management with collaborative participation from all employees to implement diversity in order to capitalize on the “interaction between, and collaboration among, people of diverse cultures, religion, histories, and perspectives” (SHRM, 2008, p.25).

Research reveals that corporations which have responded to issues of diversity by implementing a strategic plan have recruited and retained a diverse workforce. It also improved their marketability with diverse populations and improved their workers’ attitudes on issues of diversity (Cox, 2001).
## Figure 2.2 Strategic Responses for Managing Diversity and their Implementation

<table>
<thead>
<tr>
<th>Reactive</th>
<th>Episodic</th>
<th>Freestanding</th>
<th>Systemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training workshops for minorities: Learn the ropes and succeed</td>
<td>Legal department to fight equal employment opportunity programs</td>
<td>Hiring and firing based on stereotypes</td>
<td></td>
</tr>
<tr>
<td>Denying a European assignment to an African-American</td>
<td>Affirmative action for women and minorities</td>
<td>Socialization of minorities to assimilate in the dominant culture</td>
<td></td>
</tr>
<tr>
<td>Diversity awareness for managers: Be sensitive to your new employees</td>
<td>Diversity caucus and communication committee to improve interpersonal relationships.</td>
<td>Appraisal systems that establish diversity as a managerial goal at every level</td>
<td></td>
</tr>
<tr>
<td>Unity-in-diversity workshop for all</td>
<td>Director of multicultural affairs to coordinate relevant functions</td>
<td>Structural and cultural transformation to integrate diversity with other activities of the organization</td>
<td></td>
</tr>
</tbody>
</table>

Cox (1993) presents a comprehensive conceptual model that ties together learning with dimensions of diversity to create a generic model of the impact on work behavior and outcomes. Figure 2.3 illustrates effects of cultural diversity on individual and organizational outcomes as a response to the identities of its members, thus defining the diversity climate of an organization. This climate may influence individual morale and satisfaction regarding work and their employer, as well as influence actual career achievement, ultimately impacting organizational performance (1993).

The model presented in Figure 2.3 proposes that the impact of diversity on organizational outcomes is a complex interaction with the individuals of the company and the environment. The model hypothesizes that “four individual-level factors, three intergroup factors, and four organizational factors collectively define the diversity climate of an organization” (Cox, 1993, p.9). In addition, the level of diversity will impact factors such as: creativity/innovation, problem solving, and cohesiveness/communication.

The survival of an organization in a rapidly expanding global climate will depend on how they manage and value diversity. This requires understanding and addressing complex organizational systems. To empower a diverse group of employees, the organizational system must be changed, and the core culture modified (Thomas, 1991). Organization development theories and practices may support the comprehension of the values that operate within the organization from the leadership all the way to the cultural climate within the company.
Figure 2.3: An Interactional Model of the Impact of Diversity on Individual Career Outcomes and Organizational Effectiveness

Driving Cultural and Organizational Change

Utilizing diversity as a strategic asset keeps an organization’s competitive edge sharp for a long period of time. This makes diversity a prime source of economical potential that can be sustainable. However, to realize this potential, diversity professionals must understand the organizational change process to implement diversity. A strategic plan for developing and sustaining diversity throughout the organization is best approached through systems thinking.

A systems approach to diversity is more than employees and employers working effectively together, but a process where these individuals work together to achieve the success of all stakeholders. This requires an alteration in corporate philosophy and practices (Gilbert & Ivanevich, 2000). Organization development (OD) is an alternative to implement organization change and modify employee behavior. A system planned approach, can support management to implement a corporate wide impact to promote a culture of diversity (Allen & Montgomery, 2001). In order for the change effort to be effective, the diversity program must be based on the “organization’s own unique culture, internal strengths, weaknesses and needs” (2001, p.152). In addition, it is important to create an organization development (OD) strategy that has a long range plan; supported change by top managers; applied organization-wide learning; and collaborative participation of all employees (Rothwell & Sullivan, 2005, p.21).


1. Support from top management: Without top management support, organizations will be challenged to implement diversity programs or diversity initiatives (Allen
& Montgomery, 2001). Executives, chief executive officers (CEOs), and top management control the resources (Rothwell & Sullivan, 2005).

2. Initiatives are tailored: Tailoring involves pre-training audits to identify the organization’s current circumstances and priority issues (Bendick, Egan, & Lofhjelm, 2001).

3. Diversity initiatives are linked to central operating goals: Connecting to operational goals “through increased productivity, reduced cost, easier recruitment, enhanced creativity, improved client service, or expanded markets” builds a business case and creates opportunity of lasting impact (2001, p.17).

4. Trainers are organization development professionals: Diversity impact is directly tied to organization’s operational performance (2001).

5. Diversity initiatives enroll all levels of employees: “Influencing an organization’s corporate culture does not start to form until about twenty-five percent of all personnel at a work site have received training” (2001, p.18).

6. Diversity initiatives include discussions about discrimination as a general process. A broader approach can address all forms of discrimination without isolating any single group as the culprit (2001).

7. Diversity initiatives explicitly address individual behavior: “Developing and practicing new ways of speaking and acting is more likely to affect post-training behavior” (2001, p.18).

8. Diversity initiatives are complemented by changes in human resource practices: Organization’s procedures and policies pertaining to “recruitment, hiring,
assignment, compensation, training, evaluation, promotion and dismissal” must
reflect changes to promote diversity (2001, p.18).

9. Diversity initiatives impact the corporate culture such as internal systems of
beliefs and values and ways of behaving must reflect diversity goals (2001).

Marilyn Loden (1996), in her book *Implementing Diversity* also identified ten best
practices for enhancing organizational diversity. She found that the best practices shared
certain characteristics that included the following: “support the long-term goal of cultural
change, position valuing diversity as a business strategy, emphasize inclusion, mutual
respect, cooperation, and encourage innovation and empowerment” (1996, p.166).

*Cox’s Change Model for Work on Diversity*

Cox’s Change Model for Work on Diversity (2001) is a comprehensive conceptual
method that identifies the main activities for effective organizational change. Figure 1.1
illustrates a flow chart identifying the change effort cycle. This model utilizes a system
approach to managing diversity. Cox recommends that an effective organizational
change effort should include all of the elements depicted in Figure 1.1. “As the flow of
the arrows suggests, the change effort cycles through all of the elements and is
continually assessed and refined over time in a process of continuous loop learning”
(Cox, 2001, p.18).

Cox’s Change Model for Work on Diversity has five components. Within each
component there are subcomponents. The following section will discuss the five
components in the following order: (1) leadership, (2) research & measurement, (3)
education, (4) alignment of management systems, and (5) follow-up.
Leadership.

In the context of organizational change, leadership is a behavior that determines the directions or objectives for change; provides a sense of exigency and significance for the vision; facilitates the motivation of others; and, encourages the necessary conditions for achievement of the vision. “Leadership is the most essential element for change; without it, nothing happens” (Cox, 2001, p.18).

Under leadership, Cox (2001) provides six, subcomponents. The first is management philosophy. This is the sense of direction in which the leader wants to take the organization. Management philosophy differs from the vision. The vision of the organization is “the ability to decide what is to be done and how to get there” (2001, p.40). The leader recognizes that they will not get there unless they can light a fire under the people with whom they have influence to embrace this vision for change (Cox, 2001).

Vision is a portrayal of what needs to happen and provides a direction for those who lead. Moreover, it guides what should be measured to determine the success of the change effort. To implement diversity throughout the organization, leaders must create a shared vision. Cox (2001) identifies the following to facilitate a collective vision (p.42):

- Demonstrate some personal passion for the needed change.
- Provide a compelling case for why it is the right vision.
- Communicate profusely.

Organizational Design is a formal guided process to align people’s collective efforts to implement a change process. Through the formation of steering committees and advisory groups, leaders can monitor the transformational effort. These teams are “normally charged with creating a diversity business plan or strategy” (Cox, 2001, p.48).
A diversity plan corresponds with the vision and mission of the change initiatives. Through the design process, organizations perform to improve the possibility that the cooperative efforts of members will be successful. The following criteria should be considered (Cox, 2001, p.48):

- Highly respected and knowledgeable;
- Personal interest in the work and a desire to serve;
- Knowledge about diversity or a high motivation to learn about it;
- Willingness and ability to invest a significant amount of time in the work;
- Diversity of members on gender and other dimensions of difference that are salient in the workforce.

Personal Involvement in diversity work shows personal commitment. If the change effort is to succeed, the norms of behavior must change, and the leaders must be the first to demonstrate this shift in behavior. Leaders must be able to walk the walk and talk the talk (Cox, 2001).

An additional task of leadership is the development of an explicit strategy for communicating to the organization about the developmental work on diversity. Three key factors for an effective communication strategy are “(1) the nature of the work itself deals with sensitive and sometime emotional issues, (2) many organization have several other initiatives involving cultural change occurring at the same time and, (3) how, when, and to whom organizational data are collected as part of the development process should be communicated” (Cox, 1993, pp.233-234). Communication is important to maintain momentum.
Finally, the last subcomponent of leadership is strategic integration. According to Cox (2001) four essential elements are involved. The first type of strategy integration that must occur is the diversity strategy for the overall mission of the organization. The second is establishing goals and action steps for managing diversity. The third is the placement of the strategy for managing people within the strategic framework. Finally, the fourth requirement is to ensure that the work on managing diversity becomes an integral part of the overall strategy for managing people in the organization (Cox, 2001).

*Research and measurement.*

The second component of the Cox’s model is Research and Measurement. Research and Measurement is beneficial to education and schools because at the campus level individuals can see their contribution increased awareness, improved feelings, and increased satisfaction among groups. At the district level, it is a real missed opportunity if these small contributions are over looked. “Research is the purposeful collection of data by which we can answer questions about some environmental element or phenomenon” (Cox, 2001, p.20). Many types of data are needed, including measures of the organizational culture, equal opportunity profile data, analysis of attitudes and perceptions of employees, and data that highlight career experiences of members from different cultural groups (Cox, 1993).

Measurement means the use of research to keep score in the progress of a change initiative. This component is included in the model because successful organizational change work must be well-informed by relevant data, with results systematically measured at pertinent intervals during the process (Cox 2001).
One aspect of the research program should be to obtain baseline data on key indicators of the diversity environment that can be updated periodically to assess programs (Cox, 1993). Gathering data is helpful only in term of good or bad data. Cox (2001) states because there are few absolute standards of excellence in the area of organizational climate for people, benchmarking or calibration often requires some sort of comparison. Those areas are external benchmarking, internal benchmarking, and comparing data for the same work unit at different times and triangulation (Cox, 2001).

*Education.*

Education is the third component of the cultural change model. The term “education” is used rather than “training” to signify that learning must be approached through a variety of methods (Cox, 2001, p.21). Although there has been a great deal of activity in the area of diversity training, early returns on its effectiveness are questionable. On managing change one must be cautious to the resistance of change. One reason for this resistance is fear among the majority group members that change will produce a zero-sum game in which others gain and lose (Cox, 2001). This resistance is partly due to a misunderstanding of diversity. In the development of in-house expertise it is paramount for long-term success in organizational change for the creation of internal resources to carry out education on diversity. The internal resources, trainers or facilitators in diversity must be skilled at dealing with issues that are “(1) laden with emotion, such as experiences with prejudice and discrimination, (2) controversial, such as affirmative action, and (3) deeply personal, such as topics that touch on the spiritual life of participants” (Cox, 2001, p.98). In addressing the three learning processes associated with diversity, trainers of diversity must be aware of the objective/s. According to Cox
(2001) if the objective of the training is to raise awareness, this is facilitated by the participant being self-reflective and hearing about the experiences and interpretation of others. If the objective is deeper knowledge, the participant is given new information concerning research about the subject. If the objective to change behavior, then the training must require participants to think about action steps for translating new insights into doing something differently as they perform their job.

**Alignment of management systems.**

Alignment of Management Systems is the fourth component of Cox’s Change Model for Work on Diversity. Management systems include any organization policy, practice, rule or procedure. This covers the major human resources activities like recruitment, promotion, and development, as well as other conditions such as work schedules or the design of the physical work environment. All of these systems must be aligned with the goal of leveraging diversity. When this part of the change process gets little attention, or is omitted, the result is that the overall goals of the diversity effort are not realized (Cox, 2001). Organizations have traditionally focused on how to more successfully target qualified people from underrepresented identity groups through recruiting. Some organizations have encountered strong resistance from certain members of the workforce whose personal attitudes, beliefs, and personality traits lead them to oppose efforts to make the workplace more inclusive of people who are different from the traditional social-cultural mix (Cox, 2001).

**Follow-up.**

The last component of Cox’s Change Model for Work on Diversity is the concept of follow-up. This involves “implementing action, establishing accountability for results,
and capturing and recycling the learning so that the action steps become more and more precise” (Cox, 2001, p.22). This component intersects with all the other four components but is connected especially to the research and measurement component. An effective organizational change effort should include all of the elements (Cox, 2001).

An effective leadership requires top leaders to proactively establish real accountability for results on diversity with their direct report. Many leaders leave the implementation of goals to others assuming that people will follow through. Leaders fail to understand that making these goals a part of the culture will require a deployment process and that it is up to them to make sure the process is being used. The result is that accountability will cascade down through the organization, leading to the kind of comprehensive follow-up effort that is needed to make change happen (Cox, 2001).

Summary

Diversity is an amorphous topic both in academia and business. Many researchers and professionals have developed guidelines, paradigms and models which show how to embrace diversity. Yet, many companies still have difficulty embedding the management of diversity into their daily practices and procedures (Gilbert & Ivanevich, 2000). It is recommended that a systematic planned approach be identified when attempting to design a diversity management initiative. Through effective leadership and strategic planning, diversity can enhance the culture of any organization (Loden, 1996; Plummer, 2003; Thomas, 1991).

The incorporation of diverse people, cultures, values, and norms remains one of the most significant challenges facing organizations. In order to successfully develop an
organizational culture where diversity is a priority, organizational structure must reflect
the changing workforce (Bendick, Egan, & Lofhjelm, 2001). Diversity is not just a “nice
thing to do,” it is a business imperative (Plummer, 2003, p.236). When diversity is
effectively utilized it can produce innovative solutions, higher efficiency in business
practices, and better employee competencies (2003).

The conceptual framework premise for this study is Cox’s Change Model for Work
on Diversity (Cox, 2001). It is suggested that multicultural organizations have specific
characteristics that are different from most traditional organizations that are homogenous.
It is also suggested that organizations wishing to maximize the potential benefits of
diversity and minimize potential drawbacks, must transform. The following chapter will
explain the methodology utilized in this study.
CHAPTER THREE

METHODOLOGY

This study employed qualitative methodology in order to obtain a detailed description of the complex issues related to organizations and diversity. This chapter will first summarize the theoretical considerations that influenced the design of this study and the rationale for utilizing exploratory case study. Additionally, the plan for data collection is presented, specifically how in-depth interviews and secondary data was used to analyze the results. This chapter also identifies the procedure to establish trustworthiness in the collection of data and finally, the limitations of this study are addressed.

Design of Study

Rationale

Qualitative case study was selected to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of instituting and implementing diversity initiatives successfully within one hospitality organization. The hospitality industry “employs over 8.8 million people, second only to the U.S. government – and it is estimated that more than 1.6 million new workers will be needed to keep pace with demand” (Goodwin & Associates, 2009 ¶3). In addition to the continual demographic changes in the workforce, most workers in the hospitality industry will experience high turnovers, low wages and unfair barriers to employment (Goodwin & Associates, 2009). Qualitative case study allows for exploratory in-depth analysis of the participants and the culture of the organization to
identify the characteristics and processes of diversity as it occurs (Johnson & Christensen, 2008). Figure 3.1 is a diagram that represents the structure of the research design and procedures used in this study. Through interviews and review of relevant materials written by and about the organization, the researcher was interested in investigating key strategies, distinctive challenges, best practices and lessons learned by one hospitality industry leader which has been recognized as a leader of diversity. Based on the desire to explore the perceived influential factors of effective organizational change and the process of implementing diversity initiatives of a single selected company, an exploratory case study approach was determined to be the best method for studying this issue. The research questions guided the overall purpose and focus of this research. The dashed diagonal box illustrates the bounded system of this case study. Within this system the data collection methods are identified. The following section discusses the specific details.

**Qualitative Method**

The objective of qualitative research is exploration or discovery. It is utilized to study the “world as it naturally occurs, without manipulating it” producing a narrative report with rich description (Johnson & Christensen, 2008, p.388). In addition, qualitative research is used to gain a deeper understanding of the human experience (2008). Lincoln and Guba (1985) describe qualitative research as a method that collects data from human sources (observations and interviews) as opposed to those that collect data from nonhuman sources (documents and records). Creswell (1998) defined qualitative research as “an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The research builds complex, holistic
Research Questions:
1. What are the perceived influential factors of effective organizational change for instituting diversity initiatives?
2. What was the process of implementing diversity initiatives within the organization?

Figure 3.1 Research design and procedures flow chart
pictures, analyzes words, reports detailed views of informants, and is conducted in natural settings” (1998, p.15).

Qualitative research is concerned with non-statistical methods of inquiry and analysis of social phenomena (Creswell, 1998), such as diversity, a multifaceted interpretation of human experiences. Using a qualitative approach will allow the researcher to get a deeper understanding of how people make sense of diversity and gain insight into an organization’s culture and management approach. Qualitative research uses detailed descriptions from the perspective of the research participants as a means of examining specific issues and problems. It draws on an inductive process in which themes and categories emerge through analysis of data collected by such techniques as interviews, observations, videotapes, and case studies (1998).

Case Study

Case study, as a research strategy is used to contribute to the body of knowledge about individuals, groups, organizational, social, political, and related phenomena (Yin, 2003). It satisfies three principles of the qualitative research method: exploring, describing, and explaining (2003). Yin (2003) identifies three conditions when selecting case study as a strategy for research: (1) Research questions should be written with a focus on “what --” i.e. What are the perceived influential factors of effective organizational change for instituting diversity initiatives? What is the process of implementing diversity initiatives within the organization? (2) The extent of control a researcher has over actual behavioral events and (3) the degree of focus on contemporary as opposed to historical events. The most important application of case study “is to explain the presumed causal links in real-life interventions that are too complex for the
survey or experimental strategies” (2003, p.15). The implementation of diversity initiatives are complex and impact people at the individual, managerial and organizational level. Because of the complex nature of these initiatives, case study was the best strategy to answer the research questions. Merriam (1998) describes case study as a method used to:

…gain an in-depth understanding of the situation and meaning for those involved. The interest is in process rather than outcomes, in context rather than a specific variable, in discovery rather than confirmation. In addition, the insights gleaned from this case study can directly influence policy, practice, and future research (p.19).

“Case study tells a story about a bounded system” (Stake as cited by Johnson & Christensen, 2008, p.388) references an object or entity such as: an organization, an event, an activity, or a process. Furthermore, case study is bounded by place, participant type, and time. To select the bounded system, the following criterion was used. The organization:

- has been nationally recognized as a leader of diversity;
- has experienced organizational transformation through diversity;
- is considered to be in the leisure and hospitality sector.

The following criterion was used to select the participants. The individuals:

- have been in an executive position with the selected organization;
- have played a key role in the implementation of diversity initiatives.

For this study, one organization, well respected for their diversity initiatives was selected and in which the time period for implementation ranged between 2000-2009 was selected.
Exploratory case study method was utilized to gain an in-depth understanding of the diversity initiatives and to explore the process of implementation both broadly and acutely. The most common source of evidence for investigating case studies are: documentation, archival records, interviews, direct observations, participant observation and physical artifacts (Yin, 2003).

Data Collection

*Interview*

One of the most important sources of case study information is the interview (Yin, 2003). The main purpose of interviews is to understand the experience of other people and the meaning they make of that experience (Seidman, 1998). It is a powerful way to gain insight into issues such as diversity. Based on the degree of control by the researcher, several structures and formalities are possible: unstructured, semi-structured and structured (Gay, Mills & Airasian, 2006). “There are tightly structured, survey interviews with preset, standardized, and normally closed questions. At the other end of the continuum are open-ended, apparently unstructured friendly conversations” (1998, p.9). For this study, the researcher approached interviews using primarily semi-structured, open-ended questions with the intent of building upon and exploring the participant’s responses. The goal was to have the participant reconstruct his/her experience within the topic of diversity. The interviewee may propose solutions or provide insight into events and may also corroborate evidence obtained from other sources. Open-ended questions were used to give the respondents freedom to fully express themselves and elaborate on their perceptions of organizational impact. The
specific technique that was used during the interview process was critical incident.

*Critical Incident Technique*

Critical Incident Technique (CIT) was developed by John Flanagan during World War II as a technique to analyze “actual incidents of success and failure in training and work backwards to determine the specific behaviors that let to positive or negative results” (Hettlage & Steinlin, 2006, p.4). CIT is a qualitative research method that has been used effectively to identify recommendations for effective practices for a variety of professionals in many different organizations (2006). Chell cited by Gremler (2004) describes CIT as:

> The critical incident technique is a qualitative interview procedure which facilitates the investigation of significant occurrences (events, incidents, processes, or issues) identified by the respondent, the way they are managed, and the outcomes in terms of perceived effects. The objective is to gain understanding of the incident from the perspective of the individual, taking into account cognitive, affective, and behavioral elements (p.66).

CIT is useful in drawing out realistic detail that you are unlikely to find in a conventional interview. Its key limitation, of course, is that it depends on the cooperation and memory of the person being interviewed (2004).

Critical Incident Technique is a flexible method usually used in human resource management to establish performance requirements, system development, or customer service. It relies on a set of procedures for gathering and analyzing. Hettlage & Steinlin (2006, p.5) describes the three features:

1. A description of a specific situation.
2. An account of the actions or behavior of a key player in the incident.

3. The outcome or result.

CIT is a description of a certain event or phenomenon but does not explain the factors which led to this incident. “Critical Incidents tell us what happened, but not why it happened” (2006, p.5). CIT is also widely used in organization development as a research technique to identify organizational problems. As an interview technique, participants are encouraged to talk about specific organizational incidents, deemphasizing opinions about management and working procedures (2006). It focuses on patterns of behavior, resources, skills and knowledge. This interview technique provides rich information from the participant’s perspective. CIT does not consist of a single rigid set of rules to govern the collection of data, rather it uses flexible set of principles that can be modified and adapted (2006).

To ensure the content validity of the interview, the CIT interview guide was submitted for discussion to the thesis committee for review and necessary revisions (see Appendix A). The following process was utilized throughout the interview:

1. A semi-structured interview utilizing the CIT guide directed the interviews.

2. A request to record the interview was asked of each interviewee.

3. During the interview, detailed notes were documented to capture the insights of each participant.

4. Immediately following each interview, notes were reviewed and insight regarding the interview was documented.

5. Interview notes and digital recordings were transcribed into a word processing file for further analysis.
However, prior to scheduling each interview, approval by the Office for the Protection of Human Subjects at the University of Nevada, Las Vegas was received (See Appendix C).

After IRB approval was received, interviewees were initially contacted during March of 2009 via email and telephone requesting their participation. Scheduled meetings specifying the interview dates and times were arranged. One week prior to the interviews, the research participants received a confirmation letter explaining the purpose of the study as well as a copy of the interview guide and a reminder of the date and time of the scheduled interview. Both interviews were conducted in April 2009 at a location selected by the interviewees. The duration of each interview was approximately one and half hours.

The collection of secondary sources involved researching archival databases and reviewing a variety of materials and documents which represented documentation of events published about, for, by the selected organization and their diversity initiatives. These documents included annual diversity reports, company websites, press releases, newsletters, and the 2008 Diversity Strategic Plan. This information was used to provide background information to the researcher germane to the issue as well as materials used in triangulating the data provided by the research participants.

**Secondary Data Collection**

In most cases, documentary information are relevant (Yin, 2003). This type of secondary data comes in many forms such as: letters, memoranda, agendas, announcements, minutes of meetings, written reports of events, formal studies or evaluations of the same site under study, newspaper clippings, and other articles appearing in the mass media or community newsletters (2003). “Documents must be
carefully used and should not be accepted as literal recordings of events that have take place” (2003, p.87). The most important use of documents for case studies is to corroborate and augment evidence from other sources.

Archival records may also be relevant for many case studies (2003). Examples of archival records include: service records, organizational records, maps and charts, list of names and other relevant items, survey data and personal records. When retrieving archival records, the researcher must ascertain the condition under which it was produced to determine the accuracy. Most archival records are generated for a specific purpose and a specific audience; these conditions must be considered to determine the usefulness and accuracy of the records (2003).

Secondary documents were researched from materials relating to the implementation of diversity initiatives during the period of 2000-2009. Articles and publications relating to diversity specific events occurring at the organization was researched through the university library and Internet search engines. Files on the study included annual diversity reports, website printouts, press releases, newsletters, 2008 diversity strategic plan and other related documents. In addition, diversity reports found on the organization’s website were used to corroborate with primary data.

*Trustworthiness*

According to Lincoln and Guba (1985), “The basic issue in relation to trustworthiness is simple: How can an inquirer persuade his or her audiences (including self) that the findings of the inquiry are worth paying attention to, worth taking account of” (p.290)? In qualitative research, criteria for assessing the trustworthiness of research have traditionally included transferability, dependability, confirmability and credibility of the
data collected from the study (Gay, Mills & Airasian, 2006). The intent is to provide rich
description so the reader of the study can identify whether the results of the inquiry are
transferable (2006). The researcher must document as much details of the methods,
procedures, and decisions made during the study in order to establish dependability. In
other words, if the study were duplicated the results would be comparable (2006).
Confirmability is based on the researcher’s critical self-reflection regarding assumptions,
world views, biases, theoretical orientations, and values. The researcher should address
the neutrality and objectivity of the data (2006). To establish credibility, the researcher
must collect sufficient data. Other strategies to establish credibility are: triangulation,
peer review, member check and researcher’s bias.

*Triangulation.*

Qualitative researchers also confront issues of trustworthiness through triangulation,
the use of different strategies to approach the same topic of investigation to obtain a more
complete picture of what is being studied and to cross-check information (2006).

The use of multiple sources of evidence in case studies allows an investigator to
address a broader range of historical, attitudinal, and behavioral issues. However,
the most important advantage presented by using multiple sources of evidence is
the development of converging lines of inquiry (Yin, 2003, p.98).
Therefore, the results of a are likely to be accurate and convincing. There are four basic
types of triangulation: Data, investigator, theory and methodological. This study used
only two types, data triangulation and investigator triangulation.

Data triangulation requires checking out the consistency of different data sources
such as comparing and cross-checking the consistency of information derived by
different means within qualitative methods. The researcher seeks convergence and 
corroboration of results from different methods studying the same phenomenon (Johnson 
& Christensen, 2008). In this study the researcher conducted data triangulation by 
comparing interview data with what was reported in newspaper clippings or within 
organization’s reports. Additionally, investigator triangulation was used. A fellow 
classmate with a master’s degree in Human Resource Development (HRD) from 
Minnesota University assisted in evaluating and reviewing the findings in order to reduce 
potential bias.

*Peer review.*

Peer review or peer debriefing supports the credibility of the data in qualitative 
research and provides a process to establish trustworthiness and credibility of results 
(Lincoln & Guba, 1985). An impartial peer acts as a facilitator to provide objective 
reflections about the findings. Questions pertaining to the researcher’s personal 
perspectives and values are discussed in relation to the results of the study. The intent is 
to confirm that the findings and the interpretations are worthy, honest and believable 
(1985).

During the analysis, a respected colleague who has both direct experience with the 
specified organization’s diversity initiatives and knowledge of change management was 
asked to review the analysis table (See Appendix E). In depth discussions revolving 
organization development (OD) and a systems approach regarding diversity provided 
additional insight. The colleague offered written feedback that corroborated the 
credibility of the results.
Member check.

Member checking is a technique for establishing the trustworthiness and credibility of the study. Lincoln and Guba (1985) speculate that this is the most crucial technique for establishing credibility. This allows the participants to correct errors and challenge interpretations that may have been misconceived. The intent “is to obtain confirmation that the report has captured the data as constructed by the informants, or to correct, amend, or extend it, that is, to establish the credibility of the case” (1985, p.236).

Following each interview session, participants were informed that a transcription would be forwarded to them for verification. Participants received the transcription within approximately two weeks of the actual interview by email and were given three weeks to review and return with corrections and/or approval. The transcriptions were returned to the researcher by email. The digital recording of each interview as well as interview documents were placed in a secured envelope and locked for storage.

Researcher’s bias.

A potential threat to the validity of a study that researchers must be aware of is researcher’s bias (Johnson & Christensen, 2008). All observations and analysis are filtered through an individual’s worldview, values and perspective. “The key strategy that is used to understand researcher bias is called reflexivity, which means that the researcher actively engages in critical self-reflection about his or her potential bias and predispositions” (2008, p.275). In order to avoid researcher bias, the researcher logged preconceptions and assumptions. Personal reactions were noted and discussed with several members of the thesis committee.
Personal Perspective

Diversity is a topic that I have only recently addressed, although it has been a consideration most of my life. As early as first grade, I recalled how teachers discouraged me from speaking my native tongue in an effort to teach English faster to me. I remember how my parents struggled to advance in the corporate world with little or no success, even if their abilities, experiences, and education often made them better qualified than their co-workers. But, I was fortunate to grow up during an era where civil rights became a reality and underrepresented groups stood for their rights; a time when a woman and an African American male battled for the highest position of the United States, the presidency. The glass ceiling has been cracking and many employment opportunities are now available to many underrepresented groups. But what has really peaked my interest in diversity has been globalization and how our network of friends and colleagues go beyond the Atlantic and Pacific waters. I speak to my brother in Dubai and my sister in the Philippines weekly. My employer expanded their business into South Africa and Australia. As I plan our marketing strategies, international competitors are now a consideration. Specifically, I am interested in factors that affect the competitive performance of businesses and the manner in which diversity influences an organization's structure, long-term business strategy, and standard systems.

Data Analysis

Data analysis is the process of bringing together all the data collected and examining, categorizing, tabulating, and testing the evidence to address the research question (Yin, 2003). Data interpretation is an attempt to find meaning. In other words, analysis involves summarizing what’s in the data and interpretation involves making sense of the
Qualitative data analysis is based on inductive reasoning. The researcher starts with a large set of issues and seeks to progressively narrow into small and important groups of key data (Gay, Mills & Airasian, 2006). Once the data has been collected, the researcher will then organize, categorize, synthesize, analyze and then write about the data. One way to proceed with the analysis is to follow and repeat these three steps (2006, p.469).

1. Become familiar with the data and identify potential themes (reading/memoing);

2. Examine the data in depth to provide detailed description of the setting, participants and activity (describing);

3. Categorize and code pieces of data and grouping them into themes (classifying).

For this study, the researcher used the steps to analyze the data. Appendix E presents the data as it was categorized during the analysis phase. Participant responses, specifically recurring factors, were entered into a working matrix (see Appendix E). These factors were categorized based on Cox’s Change Model for Work on Diversity and included: impetus, leadership, research & measurement, education, alignment of management systems, follow-up and challenges. The matrix also included references to archived records and documents to allow easier comparison of data. The intent was to confront issues of trustworthiness through data triangulation in order to validate analysis.

The completed working form was sent to a respected colleague who has both direct experience of the specified organization’s diversity initiatives and knowledge of change
management for the peer review process. In depth discussions revolving organization development (OD) and a systems approach regarding diversity provided additional insight. The colleague entered written feedback on the last column of the analysis matrix and there was agreement regarding factors which were identified. The results corroborated the credibility of the research findings.

Memoing

Memoing is a helpful tool for recording ideas generated during data analysis. Memos are reflective notes that describe what the researcher is learning from the data (Johnson & Christensen, 2008). Learning can include thoughts on emerging concepts, themes, and patterns. In the beginning of the analysis memos tend to be more speculative and memos written later tend to be more focused and conclusive (2008). For this study, the researcher created a digital logbook organized in several sections: observations/descriptions, assumptions/biases, coding/classifications and conclusions. Additional memos included marginal comments on transcripts of interviews, notes from class related topics and personal reflections.

Describing

The next step is to develop a thorough and comprehensive description of the participants, the setting, and the phenomenon studied. The descriptions are based on collected observations, interview data, field notes and artifacts (Gay, Mills & Airasian, 2006). The intent is to provide a narrative picture to have an understanding of the context of the site for case study. Immediately following both interviews, detailed notes were taken regarding the location of the interview. Per the request of both participants, interviews were conducted at the corporate office. The researcher arrived early to take
meticulous notes and describe the surroundings, ie, artifacts displayed, prints on the wall, display case, exposed literature and overall atmosphere.

Classifying

Qualitative data are analyzed through the process of segmenting, coding, and categorizing into themes. Segmenting divides the data into meaningful analytical units (Johnson & Christensen, 2008). Coding marks the data with symbols of descriptive words or categories. Inductive codes are codes that are generated by directly examining the data. Priori codes are codes that were developed before examining the data. During the coding process, the researcher should apply these codes only when they clearly fit segments of data and should not be forced onto the data (2008). The research has existing priori codes: long range planned strategies, top management support, organizational learning, and employee-wide participation. Utilizing the transcripts of the interviews, statements were highlighted and color coded to identify priori codes and then entered into a working matrix (see Appendix E).

Summary

This chapter outlined the methodology used to conduct the study of which the focus was to explore the process for instituting diversity initiatives in an organization recognized as an industry leader. The use of exploratory case study was the most appropriate method to illuminate key executives’ experiences and perceptions of the characteristics and approach to instituting and implementing diversity initiatives within the organization. The Critical Incident Technique (CIT) was used because it provided the most flexible procedures to use with interviewees participating in the study. Participants
were asked to identify specific incidents which they experienced personally and which had an important effect on the outcome. Triangulation, peer review, member check and researcher’s bias are strategies also used to establish trustworthiness of the study. The next chapter will present the findings of the study.
CHAPTER FOUR

FINDINGS

The purpose of this qualitative case study was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of implementing diversity initiatives successfully in one hospitality organization. Cox’s conceptual model for Cultural Change was discussed, in chapter two, as a tool for comparing how an organization’s diversity initiatives are implemented. The findings reported in this chapter, resulted from interviews with two key executives responsible for these initiatives as well as information gathered from secondary sources such as company reports, websites, newsletters, etc. and is compared to the information Cox presented in his model. All related documents used in the analysis are numbered and available in Appendix B. The researcher refers to individual documents in the text often listing them in parentheses for quick and easy access to the reader. They are listed in the Appendix instead of the References section to ensure confidentiality of both the participants and the selected organization. This chapter is organized in the following order: (a) background information from the selected case, referred to as OHI (Organization Hospitality Industry); (b) the impetus for the implementation of the diversity initiatives for OHI and the specific steps taken to institute diversity into the organization; (c) a report of the findings specific to the research questions, and finally; (d) a summary of the chapter.
Table 4.1

<table>
<thead>
<tr>
<th>OHI Corporate Diversity Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structure</strong></td>
</tr>
<tr>
<td>Corporate Diversity Community Affairs</td>
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<tr>
<td>Committee of the Board</td>
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<tr>
<td>Corporate Diversity Council</td>
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<tr>
<td>Property Diversity Councils</td>
</tr>
<tr>
<td>Purchasing Diversity Council</td>
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<tr>
<td>Construction Diversity Council</td>
</tr>
</tbody>
</table>

Note: From OHI company website.

Background

For this case study, one organization in the hospitality industry (OHI) was selected to explore how diversity initiatives were instituted and implemented during a period of time between 2000 and 2009. According to the Las Vegas Sun, OHI has been in the forefront of a marketplace transformation since May of 2000 (Article #18, Appendix B). A
voluntary commitment to extend their dedication to a formal diversity initiative not only infused the culture, but altered the way they do business (Article #18, Appendix B).

Table 4.1 illustrates OHI’s diversity infrastructure initiated by the incumbent CEO in the year 2000.

A publically traded company, OHI is one of the world’s leading development organizations with significant holdings in gaming, hospitality and entertainment. It is one of fifty companies in the United States to be recognized for its commitment to diversity best practices (Article #12, Appendix B). Awards include: Top Corporations in the U.S. for multicultural businesses (DiversityBusiness.com, 2008), Supplier Diversity Program of the Year by the Nevada Minority Business Development Council (Desmarais, 2007), 40 Best Companies for Diversity by Black Enterprise Magazine (2006). In addition, OHI’s Chairman and CEO was honored with the 2007 CEO Diversity Leadership Award for demonstrating outstanding diversity leadership in corporate America (Schaffer, 2007).

Table 4.2 presents OHI’s awards and recognitions as a result of their practices relating to diversity from 2000-2009. OHI has been honored with more than one hundred and thirty-five awards related to diversity. With the exception of 2008, OHI has steadily increased the number of awards they have received since 2001. Figure 4.1 illustrates the progression of acknowledgements since 2001 and represents awards received from various institutions both at local and national level.

DiversityInc.’s Top 50 Companies of Diversity is considered the “Oscar” of all diversity honors (Article #12, Appendix B). Organizations which receive this award are selected from an objective process that tracks various benchmarks which measure an organization’s culture. Companies must demonstrate consistent strengths in four key
areas: CEO commitment, human capital, corporate and organizational communications and supplier diversity. Each company is assessed within the context of their industry and employee skill sets. An analytical survey of more than 200 questions are reviewed by a research team and statistically analyzed. “The questions have predetermined weightings and are evaluated based on ratios of certain questions, such as work-force demographics compared with new-hire demographics, and relativity of one subject to another, such as mentoring best practices and management promotions” (DiversityInc, 2009a, ¶3). A company must have at least 1,000 U.S. employees to apply. Survey invitations go out in October and awards are announced the following March. There is no financial reward and DiversityInc emphasizes that there is “NO preferential treatment” (DiversityInc, 2009b, ¶4). In 2009, OHI is ranked among the top 20 companies for diversity.

In 2000, OHI launched a “top-to-bottom diversity effort …The goal was to increase diversity at every level from employees and from suppliers” (Article #8, Appendix B, ¶2). The mission was to create a culture that “acknowledges and values the contribution of all employees” (Article #17, Appendix B, ¶4). Evidence of the organization’s commitment to diversity was found in newsletters, company website, and annual diversity reports. To drive the implementation of diversity within the company, Corporate Diversity and Community Affairs department was created.

The headquarters for OHI’s Corporate Diversity and Community Affairs department is housed in an ascetic white, lackluster building, a contradiction to the luxurious structures of OHI properties. The entrance way is unpretentious and is decorated in neutral colors of tan and cream. The atmosphere presents an aura of simplicity yet elegant. On the wall is a painting of a large tree entrenched into the earth with a
Table 4.2

<table>
<thead>
<tr>
<th>Date</th>
<th>Presenter</th>
<th>Award</th>
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<tbody>
<tr>
<td>2009</td>
<td>DiversityInc Magazine</td>
<td>No. 19 in Top 50 companies for Diversity</td>
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<td></td>
<td>DiversityInc Magazine</td>
<td>No. 7 in the Top 10 companies for Supplier Diversity</td>
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<tr>
<td>2008</td>
<td>Las Vegas Chapter of the American Society of Training and Development (ASTD)</td>
<td>Tribute to Learning for its diversity training initiatives</td>
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<td></td>
<td>Mississippi Minority Business Alliance</td>
<td>OHI property in Mississippi was awarded the “Flame Award”</td>
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<td></td>
<td>Black Enterprise Magazine</td>
<td>OHI was recognized as one of the “40 Best Companies for Diversity” for the fourth consecutive year</td>
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<tr>
<td></td>
<td>DiversityInc Magazine</td>
<td>OHI named as one of the “25 Noteworthy Companies” for Diversity</td>
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<td></td>
<td>Diversity Edge Magazine</td>
<td>OHI named as one of the “2008 Best Companies for Diverse Graduates”</td>
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<td></td>
<td>Dave Thomas Foundation</td>
<td>OHI named as one of the “Best Adoption-Friendly Workplaces”</td>
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<tr>
<td></td>
<td>DiversityBusiness.com</td>
<td>OHI cited as one of the “Top Corporations in the U.S. for multicultural businesses</td>
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<tr>
<td></td>
<td>National Association for the Advancement of Colored People (NAACP)</td>
<td>OHI honored for support of the Freedom Fund Banquet</td>
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<td></td>
<td>American Gaming Association</td>
<td>OHI wins “Best Corporate Social Responsibility Publication” for its 2006 Annual Diversity Report</td>
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<tr>
<td>Date</td>
<td>Presenter</td>
<td>Award</td>
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<td>2007</td>
<td>Hispanic Business Magazine</td>
<td>OHI recognized as one of the “Top 50 Companies for Hispanics”</td>
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<td></td>
<td>Latin Business Magazine</td>
<td>OHI names to the “2007 Corporate Diversity Honor Roll”</td>
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<td></td>
<td>Latina Style Magazine</td>
<td>OHI named among “50 Best Companies for Latinas”</td>
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<td></td>
<td>Diversity/Careers in Engineering &amp; Information Technology Magazine</td>
<td>OHI named one of the “Best Diversity Companies” in the U.S.</td>
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<td></td>
<td>Profiles in Diversity Journal</td>
<td>OHI receives the “Innovation Award” for innovative programs in the area of workforce diversity and inclusion</td>
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<td></td>
<td>Dave Thomas Foundation for Adoption</td>
<td>OHI named as one of the “Best Adoption-Friendly Workplaces”</td>
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<tr>
<td></td>
<td>Black Enterprise Magazine</td>
<td>OHI named one of the “40 Best Companies for Diversity” in addition to being among the “15 Best Companies for Corporate Board Diversity” and “15 Best Companies for Supplier Diversity”</td>
</tr>
<tr>
<td></td>
<td>Recognition Professionals International</td>
<td>OHI property in Las Vegas receives the 2007 “Best Practices, Best Overall Award” for commitment to employee events ad recognition programs</td>
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<tr>
<td></td>
<td>Nevada Minority Business Council</td>
<td>OHI’s supplier diversity initiative named “Supplier Diversity Program of the Year”</td>
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<td></td>
<td>DiversityBusiness.com</td>
<td>OHI cited as one of the “Top Corporations in the U.S.” for multicultural businesses</td>
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<td></td>
<td>Fortune Magazine</td>
<td>OHI named one of “America’s Most Admired Companies” for the seventh consecutive year</td>
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<td></td>
<td>DiversityInc Magazine</td>
<td>OHI named to the seventh annual “Top 50 companies for Diversity” list</td>
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<td>Date</td>
<td>Presenter</td>
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<tr>
<td>2006</td>
<td>Mississippi Minority Business Alliance</td>
<td>Minority Business Champion Award presented to OHI</td>
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<td></td>
<td>Hispanic Business Magazine</td>
<td>OHI recognized as one of the “Top 50 Companies for Hispanics”</td>
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<td></td>
<td>Latin Business Magazine</td>
<td>OHI named to the “2006 Corporate Diversity Honor Roll”</td>
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<td>Latina Style Magazine</td>
<td>OHI named among “50 Best Companies for Latinas”</td>
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<td></td>
<td>New Detroit, Inc.</td>
<td>OHI property in Detroit named recipient of the 2006 “Closing the Gap” award</td>
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<td></td>
<td>Black Enterprise Magazine</td>
<td>OHI named among the “40 Best Companies for Diversity”</td>
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<td></td>
<td>Asian Enterprise Magazine</td>
<td>OHI named a “Top 20 Company for Asian Pacific Americans”</td>
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<td>Nevada Minority Business Development Council</td>
<td>OHI named the 2006 “Supplier Diversity Program of the Year”</td>
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<td>Forbes Magazine</td>
<td>OHI named a “Global High Performer”</td>
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<td>DiversityInc. Magazine</td>
<td>OHI named to the sixth annual “Top 50 Companies for Diversity” list</td>
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<td>Diversity Best Practices and Women’s Business Network</td>
<td>OHI scores among top corporate web sites for its diversity content</td>
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<td>Hispanic Trends Magazine</td>
<td>OHI cited as one of the “Top 50 companies in the U.S. for Supplier Diversity”</td>
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<td>DiversityBusiness.com</td>
<td>OHI cited as one of the “Top corporations in the U.S.” for multicultural businesses</td>
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<tr>
<td>2005</td>
<td>Black Professionals Magazine</td>
<td>OHI recognized as one of the “Top 25 Companies for African-Americans”</td>
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<td></td>
<td>Las Vegas Chapter, Latin Chamber of Commerce</td>
<td>OHI named “Corporation of the Year” by the Latin Chamber of Commerce</td>
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<td>Date</td>
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<td>2005</td>
<td>Human Rights Campaign</td>
<td>OHI Named Among Leading Companies for Gay and Transgender Employees</td>
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<td>Hispanic Business Magazine</td>
<td>OHI named among “Top 40 Companies for Hispanics”</td>
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<td></td>
<td>Texas Association of Mexican-American Chamber of commerce</td>
<td>OHI awarded the first “Chairman’s Minority Procurement Award”</td>
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<td>Black Enterprise Magazine</td>
<td>OHI named to inaugural list of the “30 Best Companies for Diversity”</td>
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<td>Nevada Minority Business Council</td>
<td>OHI named “Corporation of the Year”</td>
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<td>Moms in Business Network and International Association of Working Mother</td>
<td>OHI named “National Company of the Year”</td>
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<td>Hispanic Trends Magazine</td>
<td>OHI named to “Top 50 Corporations for Supplier Diversity”</td>
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<td>B’Nai B’Rith International</td>
<td>Distinguished Achievement Award for “Unwavering Commitment to Promote Diversity in the Workplace”</td>
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<td>2004</td>
<td>NAACP</td>
<td>MVP Corporate Award: Most Valued Participator</td>
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<td>Profiles in Diversity Journal Magazine</td>
<td>Top 10 International Innovations in Diversity</td>
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<td>Fortune Magazine</td>
<td>Top 50 Best Companies for Minorities List</td>
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<td>Southern Nevada Human Resources Association</td>
<td>Leading Diversity: Special Recognition</td>
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<td>2004</td>
<td>Michigan Minority Business Development Council</td>
<td>Corporation of the Year and Corporate One Award: OHI property in Detroit</td>
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<td>Supplier Diversity Program of the Year</td>
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<td>NAACP, Biloxi Branch</td>
<td>The Wilmer McDaniel Corporate Award</td>
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<td>2003</td>
<td>NAACP Biloxi Branch</td>
<td>Corporate Citizen of the Year 2003</td>
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<td></td>
<td>Michigan Minority Business Development Council</td>
<td>Corporate One Award, OHI property in Detroit</td>
</tr>
<tr>
<td></td>
<td>Fortune Magazine</td>
<td>Top 50 Best Companies for Minorities List</td>
</tr>
<tr>
<td></td>
<td>NAACP</td>
<td>34th Annual National Convention: Exhibitor’s Award</td>
</tr>
<tr>
<td></td>
<td>NAACP Western Region I</td>
<td>Corporate Responsibility Award</td>
</tr>
<tr>
<td>2002</td>
<td>NAACP, Las Vegas Chapter</td>
<td>Corporate Recognition Award</td>
</tr>
<tr>
<td></td>
<td>Asian Chamber of Commerce, Las Vegas Chapter</td>
<td>Corporation of the Year</td>
</tr>
<tr>
<td>2001</td>
<td>Nevada Minority Purchasing Council, Inc.</td>
<td>President of the Year</td>
</tr>
</tbody>
</table>

Note: From OHI company website (2009) listing “Recognition in Diversity.” The above list includes awards to the organization specific only to diversity but does not include individual awards.
Figure 4.1 Account of Awards Related to Diversity (2001-2008)

Source: Data from OHI company website (2009) listing “Recognition in Diversity”. The above figure includes all awards to OHI as an organization including corporate and individual awards.
statement, \textit{THE STRENGTH OF OUR COMMUNITY IS ROOTED IN DIVERSITY}. Prominently exhibited in the lobby are five display cabinets that showcase various diversity awards and photos of children and youths. The conference room (where one of the two interviews was conducted), promulgates the \textit{Strategy Plan Reminder}, listing OHI’s goals and mission:

1. Provide exceptional guest service;
2. Develop a culture of diversity and employee excellence;
3. Design and implement a comprehensive marketing plan;
4. Strive for constant competitive advantage;
5. Assure strong financial performance and shareholder value.

In a press release dated May 23, 2007, OHI announced that its “Diversity Initiative continues to gain momentum in key areas such as human resources, strategic sourcing, construction and corporate philanthropy” (Article #15, Appendix B, ¶7). Since 2000, OHI has released its diversity performance to demonstrate transparency and accountability. According to the CEO, “The most significant value – and the strongest impact – that our Diversity Initiative has on our business, rests in the role it plays in fostering a work culture of peak performance, teamwork and innovation” (Article #15, Appendix B, ¶2).

Impetus for Diversity

Under the scrutiny of several black leaders and members of the National Association for the Advancement of Colored Persons (NAACP), OHI was targeted for boycotts and demonstrations that questioned the company’s hiring practices and hostile environment
The boycott originated from claims of discrimination at the company’s Detroit casino in 2000. Several former workers of OHI criticized employment policies and recounted racial insults and unfair treatment leading to fourteen discrimination lawsuits. Additional criticism of OHI’s business practices reported that “while more than half of the workforce is minority, less than a third of the managers and above are minorities” (Article #19, Appendix B, ¶4). Furthermore, the organization spent $445 million on goods and services in 2001. Of that, $24.3 million or 5.5 percent was spent with minority and female-owned businesses. OHI’s CEO stated: “we should be doing one heck of a lot more than 5.5 percent of our total business with women and minority owned firms” (Article #19, Appendix B, ¶11).

In May 2000, the CEO declared diversity as a moral business imperative and made a commitment to developing a corporate infrastructure to drive its implementation within the company (see Table 4.1). One of these structures was the formation of the Corporate Diversity Council, comprised of individuals representing major business disciplines including advertising, construction, diversity and philanthropy, human resources, marketing, media relations, purchasing, and sales. This council “is a multi-disciplinary team of company executives responsible for the formulation and implementation of the annual Diversity Strategic Plan in major company operations” (Article # 5, Appendix B, p.51). An interview with the Senior Executive and Member of the Diversity Council (Interviewee A) shared the impetus of implementing diversity into OHI’s business structure and recalls the regulatory hearings where the public was invited to make comments. According to Interviewee A, a local African-American activist stood up and
voiced his concerns. As a result, the presiding CEO of OHI declares to take a stand for diversity. She then stated:

[Interviewee A:…what that did then was triggered about a year and a half of really paying attention to a topic. And it wasn’t just the chairman paying attention; it was a whole bunch of us, in the company that were paying attention.]

[Interviewee A: We started to understand what was happening in terms of the supply and demand of the labor pool. We started to understand the impacts of having engaged employees in a vibrant culture…because when your leader (CEO of OHI) says, “I care,” intelligent, committed, loyal, dedicated people start to care also. But unless you’ve got some strategic underpinning that guides everything you do, all you got is pockets of activity… So he created a diversity committee on the board of directors…who will be the stewards of what our direction and growth plans are going to be. He changed the name of my department from Community Affairs (it was Government Relations Community Affairs) to Corporate Diversity Community Affairs and said “I want you to wake up at two in the morning thinking about diversity. I want to make you the one that I call to get stuff done.”]

OHI established the gambling industry’s first corporate wide diversity initiative (Article #18 and 19, Appendix B). Table 4.3 outlines the key diversity initiatives from May 2000 to June 2008.
Table 4.3

OHI’s Diversity Journey at A Glance

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2000</td>
<td>OHI declares diversity a critical business imperative</td>
</tr>
<tr>
<td>July 2000</td>
<td>OHI enacts a policy requiring minority participation in construction bids</td>
</tr>
<tr>
<td>August 2000</td>
<td>OHI hosts its first Minority Business Expo to identify qualified local vendors</td>
</tr>
<tr>
<td>September 2001</td>
<td>OHI creates an internal department dedicated to implementing the Company’s Diversity Initiative</td>
</tr>
<tr>
<td>February 2002</td>
<td>OHI presents first public report of its Diversity Initiative</td>
</tr>
<tr>
<td>August 2002</td>
<td>OHI launches Diversity Champion training</td>
</tr>
<tr>
<td>January 2003</td>
<td>OHI forms Purchasing Council and Purchasing Diversity Committee, representing directors and buyers from throughout the Company</td>
</tr>
<tr>
<td>February 2003</td>
<td>OHI presents second annual <em>Diversity Report</em></td>
</tr>
<tr>
<td></td>
<td>Las Vegas property creates Multicultural Advisory Council</td>
</tr>
<tr>
<td></td>
<td>OHI establishes innovative partnership with University of Nevada Las Vegas Hotel College to enrich pipeline of qualified future employees</td>
</tr>
<tr>
<td>June 2003</td>
<td>OHI adopts a formal policy requiring minority bid participation in all contracts and purchases exceeding $1,000</td>
</tr>
<tr>
<td></td>
<td>OHI announces “REACH,” a program to prepare entry-level employees for supervisory positions</td>
</tr>
<tr>
<td>March 2004</td>
<td>OHI launches companywide diversity education program for employees</td>
</tr>
<tr>
<td>April 2004</td>
<td>OHI presents third annual <em>Diversity Report</em></td>
</tr>
<tr>
<td></td>
<td>OHI facilitates Nevada’s first joint venture partnership between a minority- and majority-owned general contractor</td>
</tr>
<tr>
<td>January 2006</td>
<td>OHI creates and convenes the Diversity Professionals Network, a voluntary network dedicated to evolving the practice and integration of diversity in Southern Nevada</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
</tr>
<tr>
<td>------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| April 2006 | · OHI expands multicultural sales efforts by naming a National Diversity Sales Manager  
             · OHI launches the 2006 OHI Scholars Program, a partnership with local minority chambers of commerce to establish long-term relationships with scholarship recipients through summer jobs and internships |
| June 2006  | · OHI is named for the first time among the “Top 50” corporations in the U.S. for diversity leadership by *DiversityInc* magazine                                                                               |
| April 2007 | · OHI is named for the second consecutive year to the “Top 50 Companies for Diversity” list by *DiversityInc* magazine                                                                                     |
| May 2007   | · OHI develops and hosts the Best Practices Series, quarterly roundtable discussions to share best practices at the company’s properties and in corporate America  
             · OHI presents its sixth annual *Diversity Report*                                                                                                                                                   |
| June 2007  | · OHI presents its annual *Diversity Report* for the first time in Biloxi, Mississippi  
             · OHI Chairman and CEO receives the Global Diversity & Innovation Award at the World Diversity Summit at the United Nations  
             · OHI is named for the second consecutive year as one of the “40 Best Companies for Diversity” by *Black Enterprise* magazine                                                                      |
| August 2007| · OHI is the catalyst for the first-ever Women of Color Conference, a historic collaboration between the four ethnic chambers of commerce in Las Vegas                                                                 |
| September 2007 | · OHI graduates its 4000th Diversity Champion                                                                                                    |
| April 2008 | · OHI is named as one of the “25 Noteworthy Companies for Diversity” by *DiversityInc* magazine                                                                                                       |
| May 2008   | · OHI graduates its 6000th Diversity Champion  
             · OHI presents its seventh annual *Diversity Report* and hosts its fourth Diversity Business Expo                                                                                 |

Note: Data from OHI company website identifying key diversity initiatives (2009)
Findings: Study Research Questions

This section presents the research findings from the analysis of the two interviews and related documents to answer the two research questions in the study. Cox’s conceptual model for Cultural Change assisted in the analysis as a tool to compare OHI’s diversity initiatives. The findings of this study will be discussed as perceived by the interviewees about the influential factors which guided organizational change for instituting diversity initiatives and the process of implementing diversity initiatives successfully within OHI.

Research Question 1: What are the perceived influential factors of effective organizational change for instituting diversity initiatives?

Interviews with two key executive members of the Diversity Council identified their perceptions of the influential factors that supported effective organizational change for instituting diversity initiatives. Key factors includes: leadership commitment, corporate values, education, communication, accountability and organizational infrastructure.

Leadership commitment.

The most vital element for organizational change is effective leadership, “without it, nothing happens” (Cox, 2001, p.18). Leadership commitment establishes the direction or goal and ensures that others understand. The recurring factor addressed by both interviewees was the impact of the CEO and his commitment to diversity. Interview A explains how the CEO assembled an internal team for the purpose of establishing accountability.

[Interviewee A: We started to understand the impacts of having engaged employees in a vibrant culture...because when your leader (CEO of OHI) says, “I
care,” intelligent, committed, loyal, dedicated people start to care also. But unless you’ve got some strategic underpinning that guides everything you do, all you got is pockets of activity… So he created a diversity committee on the board of directors… who will be the stewards of what our direction and growth plans are going to be. He changed the name of my department from Community Affairs (it was Government Relations Community Affairs) to Corporate Diversity Community Affairs and said “I want you to wake up at two in the morning thinking about diversity. I want to make you the one that I call to get stuff done.”]

[Interviewee B: The level of commitment is key… our chairman embraced the work in the year 2000. He had the foresight to see and to know that, for this work to be substantive, it was important to have the infrastructure to support it, and so he began to look at… what do you need to have in place to support the work?] In a press release, OHI’s CEO unveils the 2005 Annual Diversity Report and shares his commitment to diversity:

To excel in the future, it is essential that we continually develop our company culture to harness the potential of every single employee, no matter what his or her position or level in our company. Diversity is key to tapping maximum motivation and maximum performance from our teams at every level, top to bottom; in all of our disciplines; across all of our properties and businesses. Our premise is simple: an organization that values the contributions of all people will derive the contributions of its entire workforce (Article #4, Appendix B, ¶3).

As an acclaimed leader of diversity in the gaming industry, OHI earned an exemplary reputation across corporate America (Article #10, Appendix B). In 2005, the CEO stated:
We have made great leaps in redefining ourselves through the prism of diversity — reeducating ourselves; restructuring to weave diversity into our operations; expanding our market horizons; strengthening our ties to the communities in which we do business; and broadening our external relationships and collaborations (Article #10, Appendix B, ¶4).

Organizational leaders strive to optimize performance by improving communication, creativity and problem solving. “One prominent perspective on diversity that follows this line of thought is the ‘value-in-diversity’ philosophy” (Cox, 1993, p.17).

Corporate values.

“Preparing organizations to have and leverage diversity required fundamental change in the ways of thinking and acting that define the organization’s culture” (Cox, 2001, p.23). Corporate values are the beliefs and norms that govern an organization and establish the climate (Rothwell & Sullivan, 2005). The vision is “a picture of what needs to be accomplished” (Cox, 2001, p.38) and provides everyone in the organization with a shared mental framework for the direction in which the organization wants to proceed (2001). OHI’s diversity mission and vision statement is one of the key influential factors that effected organizational change. Evidence of their commitment to diversity was found clearly displayed on the company’s website and Diversity Annual Reports. The mission is stated in terms of the organization’s value and accountability (Article #1-#7, Appendix B):

- Maximize shareholder value;
- Promote the growth of OHI;
- Aim to be the company of choice for employees and customers;
• Accept accountability to play a role;
• Regardless of position and title, accept responsibility no matter what;
• Acknowledge and value the contributions of all people;
• Acknowledge and value every employee and every guest;
• Acknowledge and value the commonality that binds people together;
  giving OHI a competitive advantage;
• Commit to do the best to achieve this mission.

Interviewee A references the importance of value with a discussion about the situation that led to the award winning diversity structure of OHI:

[Interviewee A: Values aren’t what you declare; it’s what you reveal, in every action and choice and behavior that you show in the course of a day. So if you’re going to do that in an enterprise, it needs to be organically woven into the value system of the operation. You’re not going to do that unless you have allies and leaders across the breadth of the organization…]

Interviewee A resumes explaining the importance of defining diversity to develop a corporate value system.

[Interviewee A: …there is a lot of pushback, and there’s a lot of cynicism, and there’s a lot of “ain’t buying it.” Because its root definition does not create safety and enthusiasm in white men.]

Interviewee A stressed the importance of a definition of diversity that could resonate equally with everyone regardless of position, gender and or cultural heritage, in addition to making business sense. A common denominator for OHI’s seventy-plus thousand employees was identified:
[Interviewee A: …shared fiduciary responsibility to realize profits for shareholders]

Therefore diversity was also a business imperative; one of which was the concept of emerging markets (See Table 4.4).

[Interviewee A: I’m getting paid to do, by a bunch of shareholders, is to advance diversity. So my obligation, our collective responsibility, is…shareholder value…Don’t talk to me about minorities; talk to me about emerging markets.]

[Interviewee A: If you extend the invitation, you must accept the responsibility to deliver with sincerity, on the promise you make.]

An example is to be able to dazzle a three-year old, as well as an eighty-three year old. This is important because some emerging markets may likely travel with family which may include children and grandparents. She elaborated on specific considerations for several emerging markets.

[Interviewee A: So to have a competitive edge, we need to build you a stronger magnet.]

Table 4.4 organizes marketing considerations. Interviewee A continued to say:

[We want to be worthy of the customer, so we’re going to extend the invitation, we’re going to insure that we are delivering on the promise that we make with sincerity and authenticity, so that we can be the dominant player in the high-end international marketplace. Today we call that “diversity”…it’s about aligning your walk and your talk.]

Additionally, one of the key core values of OHI is the concept of caring for every individual.
[Interviewee A: As part of our Diversity Champion Training, there’s a cool concept that we introduced and then sort of keep alive for every employee as often as we can. It’s the interaction of Ubuntu tribe in Africa. [Note: Ubuntu is an African humanist philosophy, not a tribe of people.] So when I encounter you I would say very literally, I would say, Sawa Bona. And that translates into, I see you. The response, your response would be, Sikhona, which equally literally translates into, therefore I am here. …the fundamental premise is, it is through the act of seeing you that I begin, that I can bring all of your talent, all of your gifts, all of your value to bear…And that’s what we are working very doggedly to create, is an environment in which a hundred percent of our people hear and feel sawa bona, every day.]

Interviewee B confirms the vision to create a caring culture.

[Interviewee B: We believe that it’s important to treat each other and our customers with dignity and respect.]

According to Interviewee A, the second reason diversity is good business is because:

[…it creates a culture - a workplace culture, in which a hundred percent of our people can make their hundred-per-cent contribution…where they feel they are vested, visible, inspired, engaged and want to give their best…that type of culture will certainly reduce turnover. It will dial up all kinds of ways to productivity, to innovation, to incidences of excellence…So how do you get some behavior change? You can’t do it in a two-hour class or a four-hour class or a memo. The only way you could do it is to do some deep experiential learning.]
**Education.**

“Education is a central feature of any change effort” (Cox, 2001, p.21) and is defined as a learning approach that progresses through three stages: awareness, deeper knowledge and behavioral change. In August 2002, OHI launched the Diversity Champion Training. This training is the centerpiece of OHI’s success.

[Interviewee A: Diversity Champion Training is part leadership, part personal breakthrough, part diversity…So we are making this monster investment in giving our people the permission and the setting in which they can be better human beings…property presidents…every director and above…every manager and above, in this company, has attended. We’ve had six thousand people go through it, twenty-five people at a time.]

[Interviewee B: This is an intense, experiential program that creates an emotional and intellectual connection to the practice of diversity and influences how people regard diversity from the business perspective. The emotional connection enables them to be proactive within the company and to have empathy for others who may be different from them. The training helps lay the foundation of the company's culture. …to harness the energy and power of diversity…with six thousand people who are the leaders of the corporation. We became better positioned to win awards…employees coming together to consider how they could impact the success of the business in more substantive ways. Most employees understand that there is a direct connection to their individual success and the success of the enterprise.]
### Table 4.4

**Emerging Markets**

<table>
<thead>
<tr>
<th>Emerging Markets</th>
<th>Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>African-American</td>
<td>• Fastest growing middle class in the country</td>
</tr>
<tr>
<td></td>
<td>• Tend to have fewer children, therefore more discretionary income</td>
</tr>
<tr>
<td></td>
<td>• Rich in tradition of large annual family reunions, potentially 150-500 guest</td>
</tr>
<tr>
<td>Latinos/Hispanics</td>
<td>• Twenty-three different cultures</td>
</tr>
<tr>
<td></td>
<td>• Fastest-growing segment in the U.S.</td>
</tr>
<tr>
<td></td>
<td>• Absolute bedrock dedication to family, therefore possible three generations taking a vacation together</td>
</tr>
<tr>
<td></td>
<td>• California is sixty-five percent Hispanic</td>
</tr>
<tr>
<td>Lesbian, Gay, Bisexual, Transgender (LGBT)</td>
<td>• Most affluent emerging market</td>
</tr>
<tr>
<td></td>
<td>• Tend to have fewer children</td>
</tr>
<tr>
<td></td>
<td>• Dual-income-earning household</td>
</tr>
<tr>
<td></td>
<td>• Very high discretionary income</td>
</tr>
<tr>
<td></td>
<td>• Value luxury</td>
</tr>
<tr>
<td></td>
<td>• Out of all emerging markets, highest loyalty</td>
</tr>
<tr>
<td>Asians</td>
<td>• Best educated</td>
</tr>
<tr>
<td></td>
<td>• Highest number of entrepreneurs</td>
</tr>
<tr>
<td></td>
<td>• Great discretionary income</td>
</tr>
<tr>
<td></td>
<td>• Some gaming activities are culturally seeped into their history</td>
</tr>
<tr>
<td></td>
<td>• In some Asian cultures the number four and twelve is very unlucky</td>
</tr>
</tbody>
</table>

Note: From Interviewee A. The discussion about some examples of emerging markets and creating a competitive advantage and emphasized that diversity is “good business”
Interviewee A explains one of the values of the Diversity Champions program is to create change agents to deliver a message to all seventy-plus thousand employees. To communicate…

[Interviewee A: Here is our competitive edge.]

*Communication.*

“It is vitally important to have a consistently effective communication plan that keeps people apprised of action steps and the results achieved” (Cox, 2001, p.71). To support this concept, Interviewee B explains why communication is critical:

[Interviewee B: In addition to having all that stuff in place, we are going to be transparent in this work. And transparency meant that we would report our performance year over year in all the disciplines that embrace diversity. So, we report our performance publicly in Human Resources, in Construction, in Diversity, in Marketing, in Philanthropy. And we have an annual meeting…we host an annual meeting whereby we invite probably in excess of five thousand people. These are employees, these are business partners, and these are nonprofit and social organizations. And we produce a printed book…*The Diversity Report.*] […] we are proactive in communicating to our stakeholders throughout the United States, and we think it is important to engage them, so that they help us fulfill our diversity business objectives … we call them Diversity Partners, they help us with our recruitment efforts.]

To leverage the existing Diversity Champions program, the Best Practices Series was developed. Interviewee B discusses the importance of providing the tools and resources to support and engage these leaders.
As a communication tool, the Best Practices series was created to align diversity between the corporation and OHI’s business units. It is open to all Diversity Champion participants. Interviewee B elucidates:

[Interviewee B: … primarily it’s a forum for the leaders of each of the Property Diversity Councils. It is an opportunity to offer ongoing, no-cost-to-low-cost training. In doing so, it is one way that we can maintain the momentum and continue to drive the values of diversity into the culture of the corporation…

We instituted quarterly meetings at which best practices are shared. Within a property, most every business discipline is represented. For example, there could be a representative from hotel operations, food and beverage, engineering, housekeeping, etc. on each council. …In order to create alignment around the corporate business objectives, it was important to create a platform whereby the properties could learn from each other.]

Accountability.

Accountability is a “comprehensive follow-up effort that is needed to make change happen” (Cox, 2001, p.129). Recently OHI hired a company to conduct a cultural audit. Interviewee A describes the process:

[Interviewee A: We did a cultural audit. We used a company called Connects, so they came in and did a full-blown employee survey. And we piloted it at three different properties…gave lots of insight. The company that we used was national, so they were able to take a diversity index (a deck of questions) that they
could bump up against other companies around the country in like industries, different industries, so we had sort of this norm. And it was so cool because we saw how much further ahead of the norm we were in, for example, leadership commitment, which made sense because we’d just spent this huge amount of time, money, and energy, making sure all leaders went through the Diversity Champion Training. But, in some instances we were only just barely above the norm, you know, and so mediocrity is not the standard that we ever strive for in our business, so that sort of gave us the place to look. …Which tells us operationally and giving us great insight into knowing tactically where we needed to go…but we only were able to do that once, and then this was going to be the year that we were going to spread that audit process to every single property…and work with the property leaders on by-department tactical plans.]

[Interviewee A: Due to the economic recession, OHI pulled the plug on the plan to conduct a property wide cultural audit and will reconsider in the future.]

According to the OHI’s website:

Every benchmark by which we evaluate our diversity gains showed upward momentum – among our employment ranks, our suppliers and construction providers, our marketing and advertising campaigns to emerging customer markets, our community contributions and our partnerships with local, state and national organizations (Current Chairman & CEO and Chair Diversity Committee of OHI, 2009).
Organizational infrastructure.

“In addition to creating a shared vision and demonstrating their personal commitment, leaders of the change effort must create an organizational structure to shepherd the change process” (Cox, 2001, p.45). Organizational infrastructure links vision, goals, activities through planned processes and systems (Rothwell & Sullivan, 2005).

Interviewee A described OHI’s organizational infrastructure. She went on to explain that diversity must be inherent in every aspect of the organization, such as marketing, purchasing and construction. She explained that OHI’s successful implementation of a corporate wide diversity initiative was the result of the infrastructure. Corporate Diversity Community Affairs, Committee of the Board, and the Corporate Diversity Council in…

[Interviewee A: …combination with a leader that really wants it…you are well on your way. …from the practitioner’s perspective, it’s really a question of velocity. It’s not a matter of “if.” Because if the leader declares it, the board’s paying attention, you’ve got a department accountable and you’ve got the way to get it done, it’s not a question of “if” but “when.”]

Interview B characterized one of OHI’s company structure as:

[Interviewee B: Our company established a Board Diversity Committee responsible for governance and establishing policies…making (OHI) responsible for governance and establishing policies that inform our diversity work.]

Interviewee A went on to discuss purchasing and construction and the systems that have been placed to provide the opportunity to participate in the bid process by
Minorities, Women and Disadvantaged Businesses Enterprises (MWDBE). Interviewee B expanded on these policies:

[Interviewee B; The Board Diversity Committee instituted two specific policies that helped drive diversity into our business practices. In Purchasing, board policy mandates that all purchasing contracts that exceed one thousand dollars must have participation by MWDBE in the bid process. Another policy mandates that construction contract bids must have MWDBE participation. In addition to these policies, the company had the foresight to understand that staff was needed to fulfill its policies. Within our corporation, we have staff whose primary responsibility is to ensure that diversity and inclusion are represented in all of our business practices.]

According to Interviewee B there must be in place three critical elements to enable diversity to be successful in any organization: commitment, communication and complexity:

[Interviewee B: Complexity defines the infrastructure within a corporation to support the work. Our company established and staffed a department that would be dedicated solely to the work beyond the corporate-speak, do you have the infrastructure to support the work? It is important to ask: Is there policy to govern the work? Are people held accountable, and what is that accountability? That’s the complexity of diversity.]

To ensure that policies and procedures have been instituted and are aligned with business vision and the diversity mission statement an annual strategic planning process takes
place every year. Since 2000, OHI has instituted several policies and procedures (refer to Table 4.3).

Summary of key factors.

According to the interviews with two key executives of OHI and supported by secondary sources, several factors that influenced effective organizational change for instituting diversity initiatives were identified. These key factors included: leadership commitment, corporate values, education, communication, accountability, and organizational infrastructure.

Research Question 2: What was the process of implementing diversity initiatives within the organization?

According to the Cox’s Change Model for Work on Diversity, a change effort must cycle through several elements (see Figure 1.1): leadership, research & measurement, education, alignment of management systems, and follow-up (Cox, 2001). This model is “essentially a process of transformational change applied to the challenge of managing cultural diversity in organizations” (2001, p.23).

The key process that supported the implementation of OHI’s diversity initiatives was the creation of the infrastructure (see Table 4.1). Interview B posed some key questions that leaders need to ask themselves when thinking about implementing diversity initiatives. “Is there infrastructure to drive the work? Is there policy? Are people held accountable, and what is that accountability?” The result of institutional diversity practices, policies and procedures is that …
Interviewee B: …diversity is so imbedded in our culture now, we don’t have to incentivize people to embrace the work.

Several outcomes have resulted from the initial implementation of diversity initiatives: the Annual Diversity Report, the Annual Diversity Strategic Plan, over six thousand diversity leaders and the Best Practices Series. Figure 4.2 illustrates the process for implementing diversity initiatives within OHI. The four main components are: infrastructure, diversity initiatives, accountability and the Strategic Planning process.

OHI’s CEO viewed “diversity as a business imperative and launched a company-wide diversity campaign throughout their entire workforce” (Article #2, Appendix B, p.4). In a statement by the CEO in 2003:

We continued to institutionalize diversity as a seamless part of the infrastructure of key business operations including recruitment, professional development, advertising and marketing, sales, public relations, purchasing, construction and philanthropy. We made solid gains in the diversification of our management ranks and our management training programs. Moreover, we expanded our outreach to emerging multicultural markets and solidified our relationships with old and new partners alike across diverse communities and constituencies throughout our nation. We also made strides in development of necessary internal systems and processes (Article #2, Appendix B, p.4).

“The process of changing organizational culture is a long-term and difficult process” (Cox, 1993, p.242). This process involves key components and subcomponents illustrated in Figure 4.1 and have been discussed in the previous sections. According to Interviewee
Figure 4.1 OHI’s process of implementing diversity initiatives

From: Data Analysis of Primary and Secondary Data.

** Annual Diversity Strategic Plan (refer to Table 4.5)
B, in addition to key components, the process must include three critical elements to enable diversity to succeed in any organization: commitment, communication and complexity. These elements must be integrated throughout the change process. On commitment: Interviewee B states:

[First, there must be commitment that emanates from the highest levels and is broadly declared within the organization.]

On communication, Interviewee B states:

[Communication is key. In addition to our employees, our company communicates its commitment and performance annually to stakeholders throughout the U.S. …another aspect of communication - engaging the workforce in the development and evolution of the diversity initiative…as a communication tool, we created the Best Practices Series to create alignment for diversity between the corporation and our business units. We instituted quarterly meetings at which best practices are shared among the Property Diversity Councils.]

On complexity, Interviewee B states:

[…complexity defines the infrastructure within a corporation to support the work. Our company established and staffed a department that would be dedicated solely to the work.]

“No change effort will get far without some form of organizational diagnosis. A formal measurement of the current state is necessary, but to guide action planning and to set a baseline for assessing progress” (Cox, 2001, p.65).
Strategic planning process.

The strategic plan should involve a long-term time horizon for development and implementation of change (Cox, 2001). A strategic plan “outlines an organization’s long term direction and the actions necessary to achieve planned results” (Kreitner & Kinicki, 2007, p.587). A discussion about how one of the approaches to work with diversity is the annual strategic planning process ensued with the interviewees. Table 4.5 exhibits the goals of OHI’s 2008 diversity strategic plan. Additionally, Interviewee A shares the importance of strategic planning:

[Interviewee A: Every year…with the full council…we sit down and say, ‘Where are we? How can we be better? There’s a strategic plan document that is a byproduct of that process. It is approved by the board, the committee of the board. And then every three months we have gauges that monitor our progress, and we are held accountable…and then we go back to the board every three months and say here’s how we’re doing.]

OHI continues to “refine an annual strategic plan to advance efforts in critical areas such as human resources, procurement, construction, philanthropy, marketing and sales, and public relation” (Article #11, Appendix B, ¶6). The Diversity Committee established a corporate policy and provides oversight of implementation with regard to diversity to fulfill the company’s vision. According to Interviewee B, OHI reports the organizational performance yearly. Based on the data from the annual diversity report and a cultural audit, the 2008 Diversity Strategic Plan was created to realign with OHI’s social and business goals (Article #11, Appendix B). The yearly evolution has contributed to the success of OHI’s diversity initiative.
Table 4.5

OHI 2008 Diversity Strategic Plan

Goals

Human Resources:

1. To develop and execute a workforce plan consistent with the company’s strategic human capital requirements.
2. To further develop and create a clear organizational role for existing and future Diversity Champions.
3. Continue to utilize corporate-wide communications vehicle, momentum, to distribute OHI’s diversity message to all employees via back of the house kiosks, desktop office computers and home computers.
4. Develop suite of training modules that will provide flexible options to the properties, e.g., online, classroom, pre-shift, etc.
5. Maximize the utilization of the E-Recruiting system and recruitment marketing to generate more inclusive pool of active and passive candidates.

Philanthropy:

1. Increase number of applicants in scholarship program
2. Increase employee community engagement through volunteerism.
3. Increase employee participation through payroll giving.
4. Increase internal awareness of corporate charitable contributions’ impact on community
5. Position properties to up-sell reservations/redemptions of charitable gift certificates.

Strategic Communications:

1. Work with Corporate PR on story development involving OHI properties.
2. Collaborate with Corporate Advertising to develop internal diversity brand campaign.
3. Create a benchmarking tool from the Corporate Best Lists.
4. Collaborate with National Diversity Sales to develop non-traditional methods of communication to approach diverse organizations.
5. Carry over an extension of 2007 goal to continue to explore use of technology to communicate the vision of diversity to employees.

National Diversity Relations:

1. Collaborate with Human Resources to support the attraction and acquisition of talent.
2. Collaborate with business units to drive internal awareness of communication resources.
3. Communicate and analyze performance results.
Table 4.5 (continued)

4. Ongoing initiatives
   a. Promote Diversity Champion Training among selected diversity partners.
   b. Position executives for speaker roles at local, regional and national partner events.

Collaborate with National Diversity Sales to create and offer incentive/marketing promotions that cater to diverse groups.

Advertising:

1. Provide support and assistance of creative and communication plans to the existing Human Resources initiative for recruitment.
2. Collaborate with properties and internal disciplines to create a full-circle relationship model.
3. Inclusion of internet marketing
4. Report findings of Diversity Spend and Reach.

Corporate Public Relations:

1. Engage, recognize, recruit and retain OHI employees
2. Increase awareness of OHI diversity goals and understanding of Corporate PR’s role.
3. Increase awareness of OHI properties among potential customers through secured editorial in targeted emerging-market consumer media.
4. Measure the value and effectiveness of the media relations effort and adjust the plan accordingly.

Sales:

1. Utilize the Multicultural Advisory Council (MAC) as a resource to support OHI outreach for recruitment. The organizations which MAC members represent give OHI access to a membership/data base with over 10,000 diverse professionals per organization.
2. Hold informational meetings at each property to promote the business case of diversity, specific to convention sales.
3. Increase lead volume by 20% year over year.
4. Increase convention revenue by 20% year over year

Purchasing & Retail:

1. Improve recruitment, retention, and engagement of Purchasing & Retail procurement staff.
2. Enhance communication of the vision: Diversity at OHI = Inspiring 100% from 100%.
3. Measurement of impact on culture
Summary

The purpose of this research was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of implementing diversity initiatives successfully in one hospitality organization. The researcher reported the findings of the study based on the analysis of two interviews and multiple secondary sources. The findings are reported comparing the process of implementation to conceptual framework for the study; Cox’s Change Model for Work on Diversity. Findings indicate that key initiatives which were implemented at OHI compare very closely to what Cox (2001) identifies as key strategic components for successful implementation of initiatives regarding diversity. A discussion about these findings will follow in Chapter 5.

As a summary, this chapter presented background information for OHI; identified the impetus for transformational change; and presented the findings for both research questions.

The analysis included the review of many secondary sources, many of which are listed in Appendix B and cited throughout the chapter. These data were utilized to confirm and verify the information provided by the two key executives that participated.
in the interviews. Overall, there were no discrepancies between the document information analysis and the information provided by the research participants.

The researcher discovered the complexity and intricacy of implementing diversity. The next chapter will provide the researcher’s conclusion, discuss the implications, and list recommendations for future research.
CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Overview of the Study

The purpose of this research study was to explore the perceived influential factors of effective organizational change for instituting diversity initiatives and to investigate the process of implementing diversity initiatives successfully in one hospitality organization. The researcher used qualitative research, specifically, exploratory case study to understand the processes of effecting systemic organizational change in addressing issues related to diversity.

Data collection methods included conducting face-to-face interviews with two diversity executives and reviews of secondary sources such as websites, newsletters, strategic plans, etc. Analysis of the data followed the steps identified by Creswell (2003) and involved the process of triangulation to establish trustworthiness and validity of the outcomes.

Discussion of Key Findings

Cox (2001) writes that to welcome and leverage diversity, it must be done using a systems approach, that is, with recognition of the organization as a social system with interdependent components. To implement an effective organizational change effort requires all of the elements depicted in his Change Model for Work on Diversity (see Figure 1.1). He continues by adding the flow of the arrows suggesting that the change effort cycles through all of the elements and is continually assessed and refined over time.
in a process of continuous “loop learning” (2001, p18). Cox Model appears to have those essential ingredients which could be useful in developing a systematic approach for achieving success when implementing diversity initiatives. This model supports organizational change that attracts, retains, and effectively uses people as resources (Cox, 2001). During the process of analyzing the data, the researcher found similar characteristics to Cox’s model in many of the interviewee’s key comments which pertained to the factors for implementing successful diversity initiatives at OHI. Based on the information gathered, several concepts relating to the implementation of diversity initiatives were evident. Key findings indicate that OHI utilized these concepts and strategies while instituting change relating to their diversity efforts: Leadership Commitment, Corporate Values, Education, Communication, Accountability, and Organizational Infrastructure.

Leadership Commitment

The first component to Cox’s Change Model for Work on Diversity is Leadership. As reflected in the data collected about OHI, this was an essential component for moving forward with any strategic plan for a cultural shift within the organization. Corporate leaders such as the CEO or chairman play a significant role in championing diversity efforts. Diversity is often viewed as the “right thing to do” however, business leaders now see it as means to increase the bottom line. The research participants described the business benefit as “increasing shareholder value” (Interviewee A and B). It was mentioned earlier that leadership starts at the top. In this study, OHI’s CEO played an instrumental role in moving their strategic plan related to diversity forward. To prevent any derailment, the CEO placed a high priority on excellence in developing the necessary
infrastructure to support company-wide diversity initiatives. It was also mentioned that leadership requires many leaders. OHI invested not only on the executive team but also on the employees who completed the Diversity Champion Training, creating over six thousand leaders and/or change agents for diversity. It appeared that many individuals took ownership of the diversity implementation, including top level executives all the way to ground levels positions. This allowed for leadership to become a cooperative effort.

Personal involvement is demonstrated when leaders model the new behavior necessary to implement a change (Cox, 2001). The impetus to implement diversity was initiated by the CEO. “When your leader says, ‘I care’, intelligent, committed, loyal, dedicated people start to care also” (Interviewee A). It appeared that the leaders as well as both research participants had a personal passion for diversity and applied the values of respect in their personal and professional lives.

Corporate Values

Although not directly addressed in Cox’s model, corporate values are the philosophical tenets set by the organizational leaders and management team. This philosophy is a subcomponent of Leadership. Management philosophy is a system of principles that describe attitudes of managers and leaders towards their responsibility to the organization and its stakeholders (Cox, 2001). Acknowledging and valuing the contributions of all people as a core philosophy appears to be clearly understood and defined throughout OHI. This acceptance allows many of the employees to embrace diversity initiatives implemented by the corporate offices. Diversity became a valued practice that appeared to be woven into the human resources management system of the
organization, specifically in the areas of orientation, recruitment, performance appraisal, compensation and benefits, training and development, and promotion.

**Education**

The third component of the Cox’s Change Model for Work on Diversity is *Education*. “Education is a central feature of any change effort” (Cox, 2001, p.21). Under the label of “diversity training,” studies show that only about one-third of diversity training efforts are viewed as creating a lasting result (Cox, 2001).

Education was instrumental to the success of OHI’s diversity efforts specifically, the Diversity Champions Workshop. This training created an environment of continuous learning that allowed the organization to benefit from the life experiences and wisdom of the many thousands of employees at OHI. The basic principles of universal respect for people, inclusion, and appreciation for the contributions of every individual are not only the bedrock moral precepts, but are the key to unlocking each employees’ individual and collective potential to improve and excel (OHI website, 2009).

Diversity education is a key factor in helping create a unified company vision and a culture of shared values. OHI developed a training program which prepared employees from diverse backgrounds and offered them the opportunity for managerial positions with the intent to minimize the glass-ceiling effect (Article #18, Appendix B). The hope was to expand and improve diversity into all of the company's major areas of operations including human resources, retail, purchasing, construction, sales, marketing, advertising, and public relations. As a result of their example, many of the other hospitality organizations now have diversity initiatives in place, creating cultural awareness throughout their company (Article #18, Appendix B).
OHI’s revolutionary diversity training is the core of the company's cultural transformation. This program was a method for directing the focus and energy of company management and employees into building high-powered teams that were transforming the way the company did business. Through the perspective of celebrating diversity, they approached training and development from an individual enhancement outlook. OHI had implemented the 3-day personal growth workshop since 2002. This intensive seminar combined the principles of diversity, leadership and personal accountability, as key factors for helping create a unified company vision and a culture of shared values. The goal was to develop the company’s culture and harness the potential of every single employee no matter what his or her position was or may be (Article #18, Appendix B).

OHI University provides ongoing training and professional development and plays a key leadership role in researching, benchmarking, developing, implementing, and evaluating learning programs that maximize the potential of their people.

Communication

Communication, although not a component or subcomponent of Cox’s Model for Work on Diversity, is an essential key in OD. Communication is a key principle for managing change in any OD effort (Rothwell & Sullivan, 2005). The monumental task which OHI pursued, could not have been done without understanding of OD principles and concepts and without a formal system of communication. Without communication and cooperation between components, the system itself would have failed. OHI emphasized the importance of effective communication as a key strategy to correspond throughout the organization and deliver diversity information. As stated by Interviewee
B, “communication is critical to impart the fundamentals of diversity and create a powerful and enduring impact.” OHI shared the diversity standards and organizational performance with their stakeholders, employees and community partners. In order to reduce resistance to change, organizations should effectively communicate with all those who are involved by the change.

**Accountability**

Responsibility and accountability for diversity initiatives is imperative in order for change to take place and for sustaining it. Accountability is reflected in two separate components of Cox’s Change Model for Work on Diversity: *Research and measurement* and *follow up*.

To determine the progress of a change initiative, the *research and measurement* component “is included in the model because successful organizational change work must be well informed by relevant data, with results systematically measured at pertinent intervals during the process” (Cox, 2001, p. 20). The Annual and Quarterly Diversity Reports reflected critical metrics that measured the success with their efforts. For the last six years, the company had annually reported its diversity performance to its corporate office in order to demonstrate transparency and accountability in the key areas of construction, human resources, procurement and philanthropy.

The fifth and final component *Follow-up* involves “implementing action, establishing accountability for results, and capturing and recycling the learning so that the action steps become more and more precise” (Cox, 2001, p. 22). This overlaps with other components especially the research and measurement component.
Where does this responsibility lie? What programs are in place to recognize
departments for their performance for success with diversity? Accountability is directly
woven into the diversity mission statement: “… we accept the accountability to
acknowledge and value the contributions of all people … we all have a role to play … we
are all responsible, no matter what our position, no matter what our title” (OHI website).

According to Interviewee B, “the Annual Diversity Report is a public communication
that holds OHI accountable and yearly reporting process for performance results. This
report is more than scorecard of numbers and statistics but it assists the Board in guiding
the diversity initiatives as a strategic business imperative”.

OHI chose the E³ maximum: Evolution, Endurance and Excellence as the theme for
the 2007 Diversity Report. These principles integrated diversity across OHI’s business
practices. They understood that diversity is ”an evolutionary process that requires
dedication, diligence and endurance” (Article#5, Appendix B, p.3) that requires an
adaption of critical thinking strategies to obtain better diversity results. According to the
CEO, “Every year we challenge ourselves to outpace the year before” making
refinements of the diversity infrastructure, processes and technology (Article #5,
Appendix B, p.3).

Organizational Infrastructure

In Cox’s Change Model for Work on Diversity, Organization design is a
subcomponent of Leadership and strategically creates the infrastructure to support the
high intensity effort that would be needed to successfully implement a change effort.
Moreover, the strategic integration establishes goals and action steps for managing
diversity. The strategic plan involves a long-term time horizon for the implementation of
change (Cox, 2001). OHI’s success with implementation of their corporate wide diversity initiatives was a direct result of the infrastructure. These entities were established to support the activities that this new office: Corporate Diversity Community Affairs, Committee of the Board, and the Corporate Diversity Council. Each comprised of individuals responsible for implementing the Diversity Strategic Plan throughout the major operations of the company (Article #5, #6 & #7, Appendix B). This top to bottom approach not only created accountability but set the example for all employees. It also encouraged the motto of “walk the walk and talk the talk”.

The fourth component of Cox’s Change Model for Work on Diversity is alignment of management systems which includes any organizational policy, practice, rule, or procedure (Cox, 2001). This covers the major Human Resources activities like recruitment, promotion, and development, as well as other conditions such as work schedules or the design of the physical work environment. All of these systems must be aligned with the goal of leveraging diversity. When this part of the change process gets short shrift or is omitted, the result is that the overall goals of the diversity effort are not realized (Cox 2001).

OHI’s infrastructure (see Table 4.1) - Corporate Diversity Community Affairs, Diversity Committee of the Board, Corporate Diversity Council, Property, Diversity Council, Purchasing Diversity Council and Construction Diversity Council that comprised of operational leaders from every corner of the organization whose purpose was to create a value system that was woven into every action, policy, practice and procedure (Interviewee A and Interviewee B) supports what Cox promulgates.
Systems Approach

“Open systems theory helps us understand how the components of organizations are interdependent – hence the need for a comprehensive approach to change” (Cox, 2001, p.23). OHI is an open system. One which takes input (such as stakeholder feedback and emerging markets) and uses it to produce output (such as customer service) which helps transform the organization with the intended and planned cultural changes (Rothwell & Sullivan, 2005). Because diversity initiatives tend to be viewed as requiring major changes within an organization, the use of OD concepts are probably the best to do so successfully. The four key components that distinguish OD is (1) long range perspective - demonstrated by the Annual Strategic Plan. This report identified goals projected 1-4 years ahead. (2) supported by top managers - this component was also identified in Cox’s model and OHI’s CEO was the initial driver which instituted and implemented diversity within the organization. (3) effected change - although not exclusively through education must go beyond employee-training efforts is also a key component of Cox’s model. Education has multiple forms and OHI utilized training, apprenticeship programs, and family scholarship program. (4) employee participation - although not identified as a key component of Cox’s model it is implied. The desire to create change agents is reflected in the six thousand Diversity Champions.

Conclusion

The review of literature confirms that workforce demographic changes occurring in corporate America have a profound impact on the way organizations think, feel, and see the world, as well as how they hire and govern their organizations and businesses. There
are many solutions to sustain a culture of acceptance and inclusion, but the principle that must be firmly entrenched in the development and implementation of a diversity program is a planned systematic approach. OD is system-wide application of behavioral science that can be effective to reinforce strategies, structures, and processes that lead to organizational change.

The findings of the study concluded that implementing a diversity strategy requires systems thinking and confirmed that diversity initiatives can be sustainable through various interventions and processes involving OD concepts. In addition, this study revealed that several components must be in place in order for diversity initiatives to be implemented and sustained. The researcher concluded that leadership commitment, corporate values, education, communication, accountability, and organizational infrastructure are essential and increases the chances of success. It also established that when diversity is approached as a business strategy and integrated into the fabric of the organization’s culture, diversity initiatives are more likely to be embraced at all levels of the company. Cox’s Change Model for Work on Diversity contains the essential elements and can be a useful tool to guide the development and implementation of diversity change efforts.

Recommendations

Based on the outcome of this study, the researcher recommends that more studies on organizations recognized as leaders in diversity be examined. While Cox’s Change Model for Work on Diversity provided a great conceptual framework to understand the work for instituting change within organizations with regard to diversity, more studies
which examine more than one organization and which include larger sample sizes are needed to fully understand the impact of these business practices on the bottom line. The literature is full of contradicting information regarding diversity. While some claim that incorporating diversity as a core business value impacts the bottom line, others state that there is not enough research to make these claims. In light of the predicted and unavoidable demographic changes in the U.S. population and workforce, it seems that good and effective diversity practices as well as strategies for organizations to use will be more valuable. Continual research in this area is critical. The author recommends that perhaps studies which confirm the use of the components identified in Cox’s model be examined further. Additionally, studies which help mid level managers, especially those in HR and Workplace Learning and Development identify and isolate data points critical for measuring the impact of diversity training programs, recruiting diverse employees and other sustainable workforce development initiatives within organizations are critically needed. The author believes that this study provides results which show that Cox’s Model provides valuable strategies which can help organizations transform and sustain cultures where diversity practices and values are core business practices which impact bottom lines.

Summary

OHI, similar to other organizations, operates in uncertain and unpredictable times. Companies will continue to face economic challenge, globalization, an aging workforce, changing population demographics, generational differences, skill gaps, down-sizing, staff turnover and loss of corporate knowledge.
In closing, when organizations espouse beliefs that people are the most valuable resources or that every person should be treated with respect and dignity and provided equal employment and growth opportunities, organizations will begin to experience less conflict. Creating organizational excellence by managing diversity is more than a call to maximize economic performance. It is, in part, a call to bring integrity to the organizations and to the people who lead them (Cox, 2001). Developing and implementing a diversity initiative is a social and educational reform. If we are not willing to change the strategies in which we now have to meet the demands of our ever changing ethnically diverse population, than we are wasting individual and collective potential.
REFERENCES


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APPENDIX A
GUIDE FOR CRITICAL INCIDENT INTERVIEW

1. Identify a critical episode: This includes, the antecedent information (what led up to it), detailed description of the experience itself (action), and the outcome of the incident (reaction). For this study the critical episode that was evaluated is the characteristics and processes of implementing diversity successfully.
   - In 2000, your organization was in the process of merging with another organization. At that time diversity was not one of your key missions. What factors provided the impetus behind the decision to invest in a diversity strategy for your organization?
   - What specifically happened at that time?
   - What was the reaction of the employees, the executive team, and of the public?

2. Describe the incident: This will describe the specific details such as the when, where and what.
   - When did diversity strategies for your organization get implemented?
   - Who was involved in the implementation?
   - Did your organization follow any specific models or strategies?
   - What role did you have at the initial stage in instituting and implementing diversity?
   - What were you specifically thinking at the time when a diversity strategy was first instituted into your organization?
   - How did you feel?
• What was the general reaction from the employees (executives, managers and line employees)?

3. Identify the central issues (root cause analysis)

• What is the central issue to implementing diversity?
• What resources are currently optimized?
• What additional resources would you need?
• Why do you think diversity is still a central issue for most organizations?

4. Decisions:

• What decision can be made on how to resolve the issues?
• What other possible solutions are there?

5. Evaluation:

• What determines if your diversity initiatives are currently working?
• What evaluative tools do you utilize?
APPENDIX B

LIST SECONDARY DATA REFERENCES


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APPENDIX C

INFORMED CONSENT

INFORMED CONSENT

Department of Educational Leadership

TITLE OF STUDY: DIVERSITY LEADER: CASE STUDY OF A SELECTED ORGANIZATION'S TRANSFORMATION

INVESTIGATOR(S): Dr. Cecilia Maldonado-Daniels and Aileen Zaballero

CONTACT PHONE NUMBER: 702-895-3410 or 702-296-7556

Purpose of the Study
Diversity and diversity management has become an organizational imperative in the U.S. workplace (Johnson, 2008). Despite the efforts addressing diversity issues, solutions that sustain a culture of diversity remain ambiguous. A growing body of research examines compliance issues (Dreachslin, 1996; Dass & Parker, 1999; Ivancevich & Gilbert, 2000; Anand & Winters, 2008), but there is limited empirical research exploring the characteristics and process of instituting and implementing diversity management successfully as an organizational function (Blake-Beard, Finley-Hervey, & Harquail, 2008). According to Blake-Beard et al (2008), examples of organizations implementing diversity initiatives is more superficial than substantial. Therefore, the purpose of study is to explore the characteristics and process of instituting and implementing diversity initiatives within a hospitality organization.

Participants
You are being asked to participate in the study because you are in an executive position with the selected organization and have been a key stakeholder in the implementation of diversity initiatives.

Procedures
If you volunteer to participate in this study, you will be asked to do the following:
• Participate in an interview using primarily semi-structured and open-ended questions.
• After the interview has been transcribed, researcher will send transcription back to you for your approval. The request is for you to check for accuracy and make any corrections and modifications to your responses (member check).

Benefits of Participation
There may be no direct benefits to the participant. However, we hope to learn the factors for effective organizational change for instituting diversity initiatives and the processes associated with the implementation of such initiatives.

Risks of Participation
There are risks involved in all research studies. This study may include only minimal risks. As a participant, you may become uncomfortable answering some questions which is may be perceived to

Participant Initials __  

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divulge organizational specific information not for public knowledge. A participant may refuse to answer questions that make them feel uncomfortable.

Cost /Compensation
There will not be financial cost to you to participate in this study. The study will take approximately 2 hrs for interview + time to review transcription. You will not be compensated for your time.

Contact Information
If you have any questions or concerns about the study, you may contact Dr. Cecilia Maldonado-Daniels or Aileen Zaballero at 702-895-3410 or 702-296-7556. For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the UNLV Office for the Protection of Research Subjects at 702-895-2794.

Voluntary Participation
Your participation in this study is voluntary. You may refuse to participate in this study or in any part of this study. You may withdraw at any time without prejudice to your relations with the university. You are encouraged to ask questions about this study at the beginning or any time during the research study.

Confidentiality
All information gathered in this study will be kept completely confidential. No reference will be made in written or oral materials that could link you to this study. All records will be stored in a locked facility at UNLV for 3 years after completion of the study. After the storage time the information gathered will be destroyed. Any paper files will be shredded and all digitally recorded documents will be deleted.

Participant Consent:
I have read the above information and agree to participate in this study. I am at least 18 years of age. A copy of this form has been given to me.

Signature of Participant ___________________________ Date _________

Participant Name (Please Print) ___________________________

Participant Initials ________

Participant Note: Please do not sign this document if the Approval Stamp is missing or is expired.
TITLE OF STUDY: DIVERSITY LEADER: CASE STUDY OF A SELECTED ORGANIZATION'S TRANSFORMATION

Audio/Video Taping:

"I agree to be audio taped for the purpose of this research study."

Signature of Participant ___________________________________ Date ___________

Participant Name (Please Print) ____________________________________________

Participant Note: Please do not sign this document if the Approval Stamp is missing or is expired.

Participant Initials __________________________
APPENDIX D

INTERVIEWEE B TRANSCRIPT

Interviewee B: I am interested in helping institute diversity as a credible professional practice. In doing so, we must establish protocol and practices to support the rigor of the work. This is one of the reasons that I became a founding member of the Chief Diversity Officers’ Roundtable at Cornell University. At the time, Cornell offered a certificate program in diversity management. The roundtable’s academic leader has since moved to Georgetown University where a master’s program is offered. Incorporating diversity studies, including relevant diversity-related research, must be incorporated into the path towards professionalizing the work of diversity. When I first moved to Las Vegas four years ago, I created the Diversity Professionals Network. It became a quarterly gathering of the area’s chief diversity officers and other professionals with responsibility for managing diversity in their respective organizations. Its objectives were threefold: to provide a platform to network, to share best practices and to work together to enhance the reputation of the profession.

Interviewee B: As we look at the evolution of diversity, I believe that we are achieving success around the reputation of diversity. Historically, there has not been a clear career path to diversity-related jobs or even the Chief Diversity Officer position. Often diversity professionals have come from the human resources discipline. Many diversity positions still reside in or report to human resources. I believe that it is vitally important that we think critically about the next phase of diversity’s evolution, including the career track of the diversity professional. Is it a C-suite opportunity? Can a chief diversity officer ascend to the highest levels of leadership in a corporation? And if that is possible, what kind of things must be in place to make that happen?

Interviewee B: In my opinion, diversity is an evolution of affirmative action; however, I am pleased that diversity is not governed by the legal mandates of affirmative action. I still find it interesting that people question, do we need diversity? And when diversity will end?

Interviewee B: I find it ironic that other professions are not referenced in the same manner. Almost every profession is expected to evolve and so will diversity. Like most other professions, diversity should evolve to address the needs of the business environment. For example, the introduction of Sarbanes-Oxley impacted both finance and legal professions.

Interviewee B: These questions challenge the viability of the diversity profession and must be thwarted if diversity is to be considered a serious and sustainable profession. I am optimistic, however, because there is an evolution of the work and its reputation. I’ve seen it grow from a response to political pressure or mandates to a competitive business asset.
Interviewee B: It is incumbent upon those of us who are serious about the work, and who have the opportunity to influence what it will be, to dialogue with each other and not rely on HR professionals to define our work. We are evolved enough to influence and define the future of the work.

Researcher: In doing my research, there seems to be a kind of fork in the road of people’s approach to diversity. Either it’s episodic, one-time mandated approach, or you take a systematic approach. And one of the things that I’ve noticed about MGM is that it’s a corporate-wide event. What I’m really interested in, is how did you implement diversity as an organization-wide effort? Not only is it just one casino, but it’s sixteen or is it seventeen?

Interviewee B: I’ve thought a lot about basics that must be in place to enable diversity to succeed in an organization. I believe that three critical elements are necessary. First, there must be commitment that emanates from the highest levels and is broadly declared within the organization.

Interviewee B: You’ve read about our work, so you know that our chairman embraced the work in the year 2000. He had the foresight to know that, in order for this work to succeed, it would be important to have the infrastructure to support it. Our company established a Board Diversity Committee which is chaired by Alexis Herman, a former U.S. Secretary of State. The Diversity Committee of the Board is responsible for governance and establishing policies that inform our diversity work. MGM MIRAGE responsible for governance and establishing policies that inform our diversity work.

Interviewee B: The Board Diversity Committee instituted two specific policies that helped drive diversity into our business practices. In Purchasing, board policy mandates that all purchasing contracts that exceed one thousand dollars must have participation by minority, women and disadvantaged businesses (MWDBE) in the bid process. Another policy mandates that construction contract bids must have MWDBE participation. In addition to these policies, the company had the foresight to understand that staff was needed to fulfill its policies. Within our corporation, we have staff whose primary responsibility is to ensure that diversity and inclusion are represented in all of our business practices.

Interviewee B: Diversity is so imbedded in our culture now, we don’t have to incentivize people to embrace the work. Our leadership has experienced the power of fully engaged employees as a result of our diversity education program. This leads to the second element: complexity. How do you determine complexity? What does it mean?

Interviewee B: In short, complexity defines the infrastructure within a corporation to support the work. Our company established and staffed a department that would be dedicated solely to the work. Many companies exhort the reasons for diversity by recognizing changing demographics and the expectations of customers and
shareholders. However, beyond the corporate-speak, do they have the infrastructure to support the work? It is important to ask: Is there policy to govern the work? Are people held accountable, and what is that accountability? That’s the complexity of diversity.

**Interviewee B:** We also offer diversity champion training to our employees. This training is an intense, experiential program that creates an emotional and intellectual connection to the practice of diversity and influences how people regard diversity from the business perspective. The emotional connection enables them to be proactive in the institution of diversity within the company and to have empathy for others who may be different from them. The training helps lay the foundation of the company’s culture.

**Interviewee B:** Third, **communication** is key. In addition to our employees, our company communicates its commitment and performance annually to stakeholders throughout the U.S. This proactive step engages many business partners and is important because they are helping us fulfill our diversity business objectives.

**Interviewee B:** Each year, we report our performance publicly in Human Resources, Construction, Purchasing, Marketing, Retail and Philanthropy. We also host an annual meeting to discuss our performance. The company also produces a published report that is distributed to employees, business partners, key stakeholders and media.

**Interviewee B:** I believe that this level of transparency ensures accountability. It also says that this work is important to us. It also implies that while we can’t mandate what happens in other businesses, we have an expectation that our partners are similarly thoughtful in this regard.

**Interviewee B:** Additionally, as a communication tool, we created the Best Practices Series to create alignment for diversity between the corporation and our business units. We instituted quarterly meetings at which best practices are shared among the Property Diversity Councils.

**Researcher:** Each property has their own council?

**Interviewee B:** Yes.

**Researcher:** And how many people are on a council, generally?

**Interviewee B:** It varies. Within a property, most every business discipline is represented. For example, there could be a representative from hotel operations, food and beverage, engineering, housekeeping, etc. on each council. Each also has its own governance procedures to determine how their members are elected, terms of service and other expectations.

**Interviewee B:** In order to create alignment around the corporate business objectives, it was important to create a platform whereby the properties could learn from each
APPENDIX E

DATA MATRIX

<table>
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<tr>
<th>Components of Cox’s Model</th>
<th>Interview #1</th>
<th>Interview #2</th>
<th>Archived Records and Documents</th>
<th>Peer Review</th>
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<tr>
<td>IMPETUS</td>
<td>African-American activist stood up, and said, I have a concern. … CEO said I stand fully and completely accountable for what the merged company does, moving forward. This isn’t just a nice-to-do kind of thing; this is a significant potential competitive advantage … Because you start to understand what’s happening in terms of changes in the marketplaces … We started to understand what was happening in terms of the supply and demand of the labor pool. We started to understand the impacts of having engaged employees in a vibrant culture. Seventy-plus thousand</td>
<td>I’ve seen it grow from, we are doing this work in response to political pressure or the mandates, or because someone is going to boycott our businesses for some reason or another, to, we are doing it because it makes business sense.</td>
<td>Snedeker, L. (2002, March 8). Group to call for MGM Mirage boycott on Las Vegas Strip. The Associated Press State &amp; Local Wire.</td>
<td>Necessary vs. nice-diversity training/strategies evolved from being the right thing to do to the necessary thing to do. How did the necessary thing to do eventually improve bottom line? Transition state?</td>
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have in common is shared fiduciary responsibility to realize profits for shareholders. First things we had to do was actually make a business case. And she is the catalyst for devising the kind of training that kind of exists, that it does now in Diversity Champion Training. And she brought in these trainers. And they modeled a program. And at the time it was five days. And her entire workforce went through this training that was really about culture and leadership and, you know, development, all of these components. Five days. As a result, Primm, without investing a dollar in capital, morale improved, which impacted the way people treated guests, which impacted the ideas that evolved around marketing. They were able to capture people from when they crossed the state line, before they got to the Strip, or they stopped them altogether from going to the Strip.

<table>
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<tr>
<th>LEADERSHIP: Management Philosophy</th>
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<tr>
<td>Diversity champion Training Concept</td>
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| Diversity is a value system that either is, or is not, woven in to every action… in an enterprise, it needs to be organically woven into the value system of the operation… need allies, leaders across the breadth of the organization. Diversity is inherent and must be inherent in marketing. So that Marketing senior VP is an ally. (move us collectively forward, around the implementation of a value system) Value systems can’t be secondary. There’s a cool concept that we introduced and then sort of keep alive for every employee as often as we can. It’s the interaction of Ubuntu tribe in Africa. *Sawa Bona*. And that translates into, I see you. The response, your response would be, *Sikhona*, which equally literally translates into, Therefore I am here. |
| Everybody that we do business with understands that diversity is value to this company. head-and-heart connection |
| Ours is a caring culture. That we believe that it’s important to treat each other, and our customers, with dignity and respect. |
| Understanding diversity across the board…how does it happen? |
fundamental premise is, it is through the act of seeing you that I begin, that I can bring all of your talent, all of your gifts, all of your value to bear. to create, is an environment in which a hundred percent of our people hear and feel *sawa bona*, every day.

The tools in and of themselves are not proprietary. There’s nothing magic in the tools. Because it’s will. It is the purity of my intention, that is going to define what I do differently than what you do.

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<tr>
<th>LEADERSHIP: Vision</th>
<th>(aligning your walk and your talk) Needed a business reason of diversity that resonated equally with everyone (Don’t talk to me about minorities; talk to me about emerging markets. Because in a publicly-traded</th>
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<td></td>
<td>How does the vision transcend to every fiber of the organization?</td>
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| 129 |
company, it’s about potential, it’s about opportunity, it’s not about reparation)
Diversity and good business is the same thing.
Business reason (part 1)
Emerging Markets:
- African Americans – fastest-growing middle class in this country (discretionary income, have fun around the activity of gambling
- Latinos-Hispanic (actually 23 different cultures) fastest growing segment in this country today - absolute bedrock dedication to family
- LBGT – most affluent emerging market very high discretionary income has the highest loyalty
- Asian – best educated highest number of entrepreneurs

America’s Top Organizations for Multicultural Business Opportunities [Press Release].


Business Reason Part 2
The invitation is easy to extend. The work is: how can we deliver with sincerity and authenticity the promise we make?

- hundred percent of our people can make their hundred-per-cent contribution
- How can we create a culture in which a hundred percent can give their hundred percent?
- How can we be a place where people aren’t showing up seventy percent, but they’re showing up ninety percent or ninety-five percent or a hundred percent?
- How can we be a culture in which my best ideas have the ability to be heard by somebody?
- How can we create a culture in which we
don’t have invisible people, or invisible positions? I’m vested, I’m visible, I’m inspired, I’m engaged. I want to give my best, and you’ve given me permission to be my best self.

• Reduce turnover. It will dial up all kinds of way to productivity. The innovation. The incidence of excellence.

We want to be worthy of the customer, so we’re going to extend the invitation, we’re going to insure that we are delivering on the promise that we make with sincerity and authenticity, so that we can be the dominant player in the high-end international marketplace. Today we call that “diversity.” I think the thing that gets in the way is that, “diversity” as a word
comes with these roots, that don’t have—that aren’t born out of business.

We want to be worthy of the customers. But, the work in diversity is it is easy to extend the invitation; you must accept though, the obligation to deliver with sincerity and authenticity on the promise that you make. The greater the dimensions of our relationship, the stronger our relationship is. The pursuit for our publicly-traded, Fortune 300 company is to be in the strongest relationship with as many customers as we can.
<table>
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<tr>
<th>LEADERSHIP: Personal Involvement</th>
<th>CEO says unequivocally, I have very strong personal beliefs and convictions around the set of issues related to diversity when your leader says, I care, intelligent, committed, loyal, dedicated people start to do the same.</th>
</tr>
</thead>
</table>
| LEADERSHIP: Strategic Integration / Organization Design | Three critical elements: (Commitment, Complexity, Communication)  
- Commitment - The commitment and the level of commitment is key. You’ve read about our work, so you know that our chairman embraced the work in the year 2000. He had the foresight to see and to know that, for this work to be substantive, it was important to have the infrastructure to support it, and so he began to look at, well, what do you need to have in place to support the |
| CEO created a diversity committee on the board of directors and recruited the founding chair OHI Diversity Committee (Steering committee) It’s starting from the top down and you’ve declared it... So on a committee, on a board, you’ve got Compensation; they are the stewards of what our direction and growth plans are going to be. We need to have a department that declares in its title that it is going to be where the buck stops. |  
- Commitment - The commitment and the level of commitment is key. You’ve read about our work, so you know that our chairman embraced the work in the year 2000. He had the foresight to see and to know that, for this work to be substantive, it was important to have the infrastructure to support it, and so he began to look at, well, what do you need to have in place to support the |
| How does an organization build personal involvement surrounding diversity? Is personal involvement built into the business strategy at OHI? | How does an organization build personal involvement surrounding diversity? Is personal involvement built into the business strategy at OHI? |
- Commitment - The commitment and the level of commitment is key. You’ve read about our work, so you know that our chairman embraced the work in the year 2000. He had the foresight to see and to know that, for this work to be substantive, it was important to have the infrastructure to support it, and so he began to look at, well, what do you need to have in place to support the |
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LEADERSHIP: Strategic Integration

Annual strategic planning process

(what accountability rest)
Created three infrastructure elements plus leader:
- Leader who declares it
- Board committee who is paying attention
- Department that declares the priority – who is accountable

Diversity Council across the enterprise – who will get it done
We created a Diversity Council, comprised of operational leaders from every corner of the enterprise.

Happens every year. It’s with the full council. And every year we sit down and say, Where are we? How can we be better? And what are the three things or four things that each of the operational disciplines are going to do, to move us to make us better, to move us forward, to move the work? level of commitment, more than corporate-speak, has to be in place, and we enjoy that in this organization. So commitment, first and foremost. (is it going to be corporate-speak, or is it really going to be substantive?)

- Complexity: It’s not enough to just profess, We’re going to embrace diversity. And with that was created a Diversity Committee of the board. There was invited on to the OHI board Alexis Herman, to serve as Diversity Chair. And with that selection of a chair and a dedicated committee, and we’re unique in that aspect among American corporations, with that came policies to govern the work. So from the board level emanated specific policy. And in order for policy to be effected, then you needed people throughout the corporation


needles. How can we be better? That’s it. So we do this in the summer. There’s a strategic plan document that is a byproduct of that process. It is approved by the board, the committee of the board. And then every three months we have gauges that monitor our progress, and we are held accountable because we go back to the board every three months and say, Here’s how we’re doing. So it’s pretty straightforward. It’s pretty straightforward.

to insure that the work got done. Two specific policies

• Purchasing bids mandated by the board. Minority Women and Disadvantaged Business Participation MWDBP in the bid process

• Construction Contract bids Minority Women and Disadvantaged Business Participation MWDBP in the bid process

(press inside the corporation whose responsibility is to mine that work and drive diversity in the business practices)

Looking at the infrastructure that you have inside an organization, to support the work.

Is there infrastructure to drive the work? Really, really critical. Is there policy? Are people held accountable, and what is that accountability? To drive the work. That’s the complexity of diversity.

• Communication: In addition to having all that stuff in place, we are going to be transparent in this work.
And transparency meant that we would report our performance year over year in all the disciplines that embrace diversity. So, we report our performance publicly in Human Resources, in Construction, in Diversity, in Marketing, in Philanthropy. And we have an annual meeting—you probably know this already—we host an annual meeting whereby we invite probably in excess of five thousand people. These are employees, these are business partners, these are nonprofit and social organizations.

Diversity Council: we created something called the Best Practices Series.

| LEADERSHIP: Communication Strategy | You need it organizationally, to have the clarity of purpose, communicated to the rest of the organization. | Proactive in communicating to our stakeholders throughout the United States, and we think it is important to engage them, so that they help us fulfill our diversity business objectives. Our partners, we call them Diversity Partners | *Here you can build a model of how communication of engagement occurs within OHI (ex.-pyramid with |
Another aspect of communication: engaging the workforce in the development and evolution of the diversity initiative, so that in doing so, we are making the business better by our own best practices.

LEADERSHIP: Personal Involvement

You just reflect the leadership. All too often, that leadership, that philosophical discussion, doesn’t happen. People need to have the ability to have honest discussion, to do what is, in their view, in the best interest of that organization. Can quickly to contentious, really nasty stuff, is when you claim it one way and then don’t live it. Major pitfall is to declare it as a business imperative but not treat it like one. If you’re going to go in and turn it up, you better have a really good recipe for what you’re looking to build, to create.


Absent clarity equals…?
RESEARCH & MEASUREMENT: Preliminary Diagnostics

Otherwise you’re just going to make a mess.

“We didn’t have mechanisms in place to track and monitor our performance in terms of who we were hiring, who we were promoting, who we were terminating, who we were doing business with, who was building our buildings, who we were advertising to reach. “
(based line data, now know where to start)

We look at any gauge that we can because it’s hard. Some of them are easy: Purchasing, Construction, where we’re investing our phone traffic dollars, total Diversity reports, quarterly reports that show me promotion rates, across different—you know, the downside is that all of the reports are EEO, therefore affirmative action buckets, so they’re just gauges, and in the aggregate, I think they give us a good, clear
<table>
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<tr>
<th>RESEARCH &amp; MEASUREMENT: Comprehensive Culture Assessment</th>
<th>Cultural Audit: cultural audit. We used a company call Connects, so they came in and did a full-blown employee survey. And we piloted it at three different properties. And we intentionally picked TI, which was a legacy OHI. It gave lots of insight, and the company that we used was national, so they were able to take a diversity index, a deck of questions, that they could bump up against other companies around the country in like industries, different industries, so we had sort of this norm. Connects also had the ability to come in and work with the property leaders on by-department tactical plans.</th>
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<tr>
<td>RESEARCH &amp; MEASUREMENT: Measurement Plan</td>
<td>Cultural audits, to see if the population understands the commitment, understand the value of diversity, and we get like eight-five-percent return. People understand the level of executive commitment, they appreciate it. We’ve done a sampling. So there’s been a sampling of properties that have participated in a survey, you know, that are asked various questions to measure impression and impact and, you know, the results have been favorable.</td>
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<tr>
<td>RESEARCH &amp; MEASUREMENT: Benchmarking</td>
<td>Terminations. Promotions. Which gives me a sense—and then through the corporation I get it by</td>
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property, I get it by department within a property, so that a property president has the ability to look and say, Oh, wow, we’re really doing well in terms of having full opportunity for everybody. property president sees that their casino division has not a lot of diversity being promoted, then it gives him something specific to go inquire about. We print a book. Our chairman stands up, as though he’s at a major shareholders’ meeting. And we talk about our performance. And that public communication of our performance, I think, holds us all accountable.

**EDUCATION: On Managing Change**

| So how do you get some behavior change? You can’t do it in a two-hour class or a four-hour class or a memo. The only way you could do it is to do some deep experiential learning. | Monet, Y. (2009, January 6). The Signature at MGM Grand Las Vegas is Recognized for Innovative Diversity Education Strategy. |

**EDUCATION: Development of in-house expertise**

| Centerpiece of our success has been this three-day Diversity Champion Training. We call it Diversity Champion Training. It is part leadership, part personal breakthrough, part diversity (Part Personal Three-day Diversity Champion Training, and there’s a significant diversion, because what I see, in the training, as an outcome, is an emotional and intellectual connection to the work. And the power of that is that not only does it change how people react to diversity | Nelson, D. & Tramel, T. (2007, May 23). MGM MIRAGE Champions Diversity Evolution [Press Release]. |

Diversity Champion Training seems to be the cornerstone to diversity initiatives for OHI. Since not as many
Breakthrough, Part Leadership
Monster investment in giving our people the permission and the setting in which they can be better human beings.

Currently: The top four or five senior executives now have not. Every property president has, every director and above, actually every manager and above, in this company, has. We’ve had six thousand people go through it, twenty-five people at a time.

You got your best and brightest off the lines for three days, while you’re paying them, and while you’re paying someone else to do their job. But then what we say to them is savor this like the most delicious piece of fruit you’ve ever enjoyed, because when was the last time you got off the

from the business perspective, but that emotional connection enables them to be proactive in the institution of diversity. And so that was the power of the training here.

Diversity Champion Training most popular course in our training program, so that, we can’t get people through fast enough. Primarily recommendation from one’s supervisor. And the goal was to get as many members of management through the training as possible, and then to reach into the line level, to line level employees. But, the economy happened.

employees are going through the training, how does this impact culture?
treadmill of your life for three days? Especially our leaders because, you know, we view ourselves as being the premier company in our industry. So they’re at the top of their game.

Everything about adult learning tells you, one-two hour classes aren’t going to change a whit of behavior. The credit of our leadership, it was the board and the committee’s genuine understanding and recognition of what it would take to move culture.

We tried a four-hour training. We tried an eight-hour training. But at the end of the day, nothing—you know, how much more research do we need to read, to say you’re not going to shift behavior, based on an intellectual four-hour or eight-hour experience? You’re not. The only thing that truly harness that energy, so that we were creating alignment - communicate to Diversity Champions the corporate goals for diversity (we became better-positioned to win awards. And the winning and the recognition became a great source of pride for these Diversity Champions)


Impact of Culture?
shifts behavior is experiential learning. Along with making the case and getting the head to commit as well. Training but it does change constantly. Yeah, it was five days originally because we thought that we would add in two days to get those Champions trained to be trainers, and we realized early on that was a bad idea because not every Champion is an effective trainer.

Different aspects of it get tweaked and refined. I mean I met with them even this morning about trying to even tighten up the business case, given the times in which we’re living. But then the economy tanked, and so we went from a hundred and fifty classes that we ran. And now we’re down to one a month, because we cover

Monet, Y. (2009, January 6). The Signature at MGM Grand Las Vegas is Recognized for Innovative Diversity Education Strategy
all of our six thousand, and then the simple reality is that’s a very expensive thing to do, and at a time when we’ve got a couple thousand employees laid off, I can’t look at a full-time employee and say, Your job has to go away, because we need to deliver this training.

Recruitment efforts: because we have these longstanding relationships all over the U.S. but particularly in this community, we are talking to our various partners and we’re saying, Partner with us, so we can communicate to your constituency, you know, that the opportunities exist to work and be employed.

We spent a lot of time building relationships and, you know, turning to our partners and we’ve said, you know, Help us, you know, attract and recruit. We’ve said to our partners, you know, Help us identify vendors and contractors with which to
<table>
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<tr>
<th>ALIGNMENT OF MANAGEMENT SYSTEMS: Performance appraisal</th>
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<tr>
<td>Properties have diversity councils, every one of them, because that was the next thing is you’ve turned on this asset, now how do you use it? And we’ve struggled and we haven’t yet answered that as well as we will, someday. So now every property has got a Diversity Council, comprised of the Diversity Champions at that property. And we work with our property presidents because we’re Diversity Council: we created something called the Best Practices Series. Within a property, most every business unit is represented, so there would be somebody from Hotel Ops, could be somebody from F&amp;B, Food and Beverage, someone from Engineering, someone from Accounting. They have governance procedures in place, so they know how, you know, they elect their members, and members serve and rotate and they come back on.</td>
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<tr>
<td>Name among the Top Fifty Companies for Diversity by Diversity Inc. And you know Diversity Inc. is the most credible source for measurement of corporate diversity performance. Two thousand five, two thousand six, we made the list. Pride of what it meant to be on the list and the recognition that, here we are, playing among our peers in the Fortune 500.</td>
</tr>
<tr>
<td>MGM MIRAGE Diversity 2004-2007</td>
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<tr>
<td>Mansholt, S. &amp; McAfee F (2005, March 29). MGM Mirage presents four-year retrospective of diversity initiative</td>
</tr>
<tr>
<td>Selection process of Diversity Council? Is it strictly those that went through the Diversity Champion training?</td>
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sort of a federation of states around here, so each of those properties is very autonomous in how they’re able to function, and their own president is really their boss. The presidents use the asset, this rich asset of these on-fire Champions, in a way that serves their needs best. They are the mobilizers into the community, on behalf of the company. We have our own Voice Foundation, so we do our own fundraising with our own employees, and then our own employees make decisions about where to invest that money.

But, in order to create alignment around the corporate business objectives, and alignment with the property business objectives, also to share best practices so that the properties know what each other is doing and they can learn from each other, we created the Best Practices Series. Learning opportunity for the participating other council members. We’ve also brought in external speakers, so that we have heard from other corporations about how they are implementing diversity.

Business perspective, we needed to harness the energy that emerged from the Diversity Champion training it so that some of the energy was driven to impacting the business, that translated into impacting the success at their respective properties.

| FOLLOW UP: Accountability | Diversity reports, quarterly reports that show me promotion rates, across | Monet, Y. (2009, January 6). The Signature at MGM Grand Las Vegas is |
Different—you know, the downside is that all of the reports are EEO, therefore affirmative action buckets, so they’re just gauges, and in the aggregate, I think they give us a good, clear picture of how we’re doing on the journey.

**Recognized for Innovative Diversity Education Strategy**

Property presidents saw the energy that resulted from their employees coming together, thinking about how they could impact the success of their business, and they saw there’s something powerful there. What’s the next level of performance in this work? Because our property presidents understand that there is value. There’s value in this energy, in this excitement from a workforce that wants to be a part of creating the success of the enterprise, more than just simply coming to work.

**FOLLOW UP: Continuous improvement**

Diversity Recharge meetings Each property has, at least once a year, what’s called a Recharge event. And this is

Does the Diversity Council truly address Diversity or is a way to drive and sustain change? Maybe a look at other companies that use similar/different strategies to engage employees would be helpful
where all of the Champions are invited, and it’s an opportunity to say, This is why we’re doing it, this is what it’s all—and they get all fired up.

Which is why the Best Practices Series is important, in my opinion. The Best Practices Series is open to all our Diversity Champions, but primarily it’s a forum for the leaders of each of the Diversity Councils. So here’s an opportunity to have ongoing, no-cost-to-low-cost (because it costs a little money to bring some water and coffee in the room) training into the room. So it’s ongoing, existing training for the leaders of diversity in our company. So I think that that presents the opportunity to maintain the momentum, and to continue to drive the culture, because you have an expectation that the leaders will be the role modelers for the work in the company.
As a corporate function, encourage the property Diversity Councils to be engaged and to think about, what are those things that they need to do, to institute the work, the values into the culture.

Assigned each of the people on our team as Account Executives, who are responsible for working directly with each of the property Diversity Councils, to share with them ideas, ideas that we get from other properties, ideas that we get from outside the company, about how to drive the work. It’s an easy sale because these people are already charged. And so the goal really becomes to keep them charged.

I think the next level is creating a bottom-line impact for diversity. So diversity is an intangible. It’s a soft return. And I think the opportunity now is, how do you leverage it.
so that there is a bottom-line value applied to the work? So what do I mean by that? We have established relationships with many, many organizations across the U.S. We’re a hospitality business. Our business is driven by inviting people to come and stay and play. Right? Many of the organizations that we work with, from NAACP to the National Council of La Raza to the U.S. Hispanic Chamber of Commerce, they hold conferences every year. We’ve invested the time and energy, and money, in these relationships. And I think that there is an opportunity to leverage that so that it’s reciprocal and impactful to us on a bottom line. So I think in many respects that’s the next horizon, and I think that that will help really deepen what we call the return on investment [the ROI], which doesn’t necessarily—is not standard in any diversity practice. And I think we have an opportunity to
What’s next?

There’s a fiduciary responsibility that all of us have, to do more with less. Diversity should be held to no different standard, than any other business imperative. What all of us operationally need to be focused on is, how do we not lose momentum? We’ve already got this asset in there, and we need to protect it, we need to use it, if not now, then when, and if not us, then who? So that’s the message I’m delivering to Champions. I happen to think that we have trained a cadre of six-thousand-plus Diversity Champions. That’s a significant number of ambassadors. In that we cannot afford at the moment to train the whole of the workplace, I think it’s important to maintain momentum among the existing Champions. Six thousand people, who predominantly are the leaders of the corporation. If leaders are inspired, they are more likely to inspire their people. If leaders exemplify the behavior and the culture that you wish to have in the organization, there’s a greater

Earlier I asked the question what happens when the diversity training is slowed down, does this impede the culture. It looks as though the company relies on the trained champions to “keep the dream alive” therefore sustaining the
We came out of Diversity Champion Training ready to do: committed to never leaving anybody behind.

Diversity at OHI in 2009, maybe well into 2010, our job is going to keep pushing. Not to create it from scratch, not to add some new dimensions to it, just to keep it moving, to not lose the ground. Which I know is going to make us stronger and better.

opportunity for your employees, even if they’ve not been trained one-on-one, because they get to experience through their leader and their leader role model’s behavior, so that that becomes part of the culture. So given the environment, I think it’s more important for us to make sure that we are providing the tools and the resources and the support for our existing Diversity Champions, so that they truly model the behaviors that we want to exist in the whole of the organization.

Closer it came down to an individual’s own experience, the less true they felt the diversity values were. How do we help our managers, the line-level managers, be better coaches? How can we help them deliver feedback?

it gave you some really specific information that you could use to make culture. This may be worth mentioning. This may be a good theme: Sustaining the culture during economic pressures
smart decisions. But we pulled the plug on all that because it was kind of expensive. Couldn’t look at a full-time employee and say, Your job went away so we could get the audit.

| Recommendation to organizations that struggle with diversity. | Leadership must get real clarity, real clarity, around what it is that diversity means to them. Because absent clarity from the top, you’re going to have fuzzy all the way down. | I’ve worked in corporations across America, and it’s really significant that our company would allow its executives to step away for three whole days, to engage in this kind of training. It’s amazing. | Absent equals clarity? |
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