Diversity Rankings: A Critique of the Landscape

Commissioned by the Consortium of Chief Diversity Officers at Georgetown University

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Introduction

In the last fifteen years, diversity as a profession and an organizational reality has grown considerably. Much of the work that we now refer to as diversity began as Equal Opportunity and Affirmative Action. Diversity in the United States is a multi billion-dollar business. Many diversity professionals and organizations have moved from a legal and social justice framework to a "business case for diversity." The business case posits that there is a return on investment for investing in diversity because such an investment will increase the bottom line.

In this study, I examine the stated rationale for the pursuit of ranking diversity performance of organizations. After explaining the history of diversity and inclusion, I analyze the basic idea behind the ranking thesis; I also explore some difficulties with it. By observing a distinction between the reality of diversity as organizational transformation and the compliance condition of diversity rankings as a glaring flaw in the logic of the rankings, I analyze the rankings' shortcomings that more plausibly identifies diversity rankings as an exercise in reputation building that perform more of an external recognition rubric than a true connection with diversity as organizational transformation. Finally, I set forth normative and practical objections to the rankings rationale as a justification for advancing the agenda of ranking organizations and contrast it with other consequentialist grounds of justification. I argue that thinking of empirically sound social science research and methodology in terms of the rankings functions writ large potentially undermines the genuine, good reasons that organizations believe that they are achieving in development of diversity in institutional contexts.

Large firms in the United States today appear to regard increasing the diversity of their workforces as an important goal.[1] Corporations like Verizon, Intel, and Wal-Mart tout their diversity initiatives on their websites.[2] CEOs look to add diversity among senior managers, law firms seek to add diversity in their partnership ranks, and universities seek diverse candidates to install as deans and chancellors[3]. Observers and analysts, meanwhile, stand ready to rank these institutions on these efforts—presumably to meet a

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[1] According to a survey of Fortune 500 companies, some ninety-five percent of those polled said that senior management viewed increasing workforce diversity as a "major goal." National Survey Reveals Workplace Diversity Is Critical in Attracting and Retaining Talent, CUNA HUMAN RES. / TRAINING & DEV. COUNCIL (Oct. 1, 2009), http://www.cunahrtdcouncil.org/news/3131.html.

[2] In an April 2010 news release, Verizon boasted that it had been named by Diversity MBA Magazine as "among the top companies for board of directors' diversity" and that "[w]omen and people of color constitute nearly half of Verizon's Board of Directors, and . . . nearly 60 percent of the company's workforce." Verizon Ranked No. 4 on Diversity MBA Magazine's List of Best Companies for Diverse Managers, VERIZON NEWS CENTER (Apr. 20, 2010), http://newscenter.verizon.com/press-releases/verizon/2010/ verizon-ranked-no-4-on.html. For websites containing similar content, see Diversity, WALMARTSTORES.COM, http://walmartstores.com/diversity/ (last visited Feb. 21, 2011) and Intel Diversity, INTEL, http://www.intel.com/about/companyinfo/diversity/index.htm (last visited Feb. 21, 2011).

[3] See, e.g., Sonia Alleyne & Annya M. Lott, 40 Best Companies for Diversity: They Want You!, BLACK ENTERPRISE, July 2010, at 92, 94–100, available at http://www.blackenterprise.com/diversity/2010/

marketplace demand for such information. Diversity has become a matter of corporate strategy[4] and even of concern to financial markets.[5]

With the move from a social justice framework to a "business case" framework, many organizations have uncritically turned to a widely divergent set of diversity rankings as a proxy for "measuring success." Diversity rankings are becoming an accepted part of the diversity landscape.

Konrad[6] has stated three primary arguments relative to the business case for diversity.

First, competition for the best talent requires organizations to reach out and embrace an increasingly diverse labor pool.

Second, a global economy requires that organizations have a diverse workforce so that they can effectively deal with an increasingly diverse customer base. Thus, a diverse workforce can lead to an increased market share, whereas lack of diversity in the workforce can lead to a shrinking market share.

A third argument is that demographic diversity unleashes creativity, innovation, and improved group problem solving, which in turn enhances the competitiveness of the organization. In addition to these arguments, one could add that in the context of the debate and controversy surrounding affirmative action programs, diversity is a more palatable and "socially acceptable" way to address race and gender issues.

Finally, one could argue that in a multicultural society, attempting to increase workforce diversity is simply the right and ethical thing to do as corporate citizens, regardless of the economic implications.[7]

This view of the business case has been criticized for its lack of empirical support. Thomas A. Kochan, a professor of management at MIT's Sloan School of Management wrote: "The diversity industry is built on sand. The business case rhetoric for diversity is

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[4] See, e.g., Lauren B. Edelman et al., Diversity Rhetoric and the Managerialization of Law, 106 AM. J. SOC. 1589, 1590 (2001); Tristin K. Green, Race and Sex in Organizing Work: "Diversity," Discrimination, and Integration, 59 EMORY L.J. 585, 595–97 (2010); Erin Kelly & Frank Dobbin, How Affirmative Action Became Diversity Management: Employer Response to Antidiscrimination Law, 1961 to 1996, 41 AM. BEHAV. SCI. 960, 972–74 (1998).

[5] The Securities and Exchange Commission has recently mandated that companies disclose whether they consider diversity as a factor in selecting their board members. See 17 C.F.R. § 229.407(c)(2)(vi) (2010) (requiring as part of Regulation S-K the disclosure of how diversity is considered in the process by which candidates for director are considered for nomination); see also Proxy Disclosure Enhancements, 74 Fed. Reg. 68,334, 68,343 (Dec. 23, 2009) (noting with approval arguments that "disclosure about board diversity . . . would provide investors with information on corporate culture and governance practices that would enable investors to make more informed voting and investment decisions," "that there appears to be a meaningful relationship between diverse boards and improved corporate financial performance, and that diverse boards can help companies more effectively recruit talent and retain staff").

[6] Konrad, A. (2003). Defining the domain of work- place diversity scholarship. Group & Organization Management, 28(1), 4–17.

[7] Konrad, A. (2003). Defining the domain of work- place diversity scholarship. Group & Organization Management, 28(1), 4–17.

simply naïve and overdone. There are no strong positive or negative effects of gender or racial diversity on business performance."[8]

Kochan bases his conclusions on a five-year study of the impact of diversity on business results. The investigation involved a detailed examination of large firms with well-deserved reputations for their long-standing commitment to building a diverse workforce and managing diversity effectively.

Kochman's critique is also built on a growing body of research, which challenges organizations to examine the validity of their assumptions on diversity. The research is also challenging organizations to examine whether diversity is still a proxy for EEO and Affirmative Action despite statements to the contrary.

Regardless of which position one takes, a review of external website statements, prouncements and other communication by many organizations reveals that diversity is stated as an organizational necessity. The analytical problem is that despite these statements, organizations are struggling to find ways to measure the efficacy of their efforts and to quantify the return on investment in diversity. The problem is also ranking diversity across industries and sectors where business needs and drivers are different provide organizations with rankings that are both relevant and valid. I submit that they do not.

One of the ways that organizations have begun to "measure" their return on investment in diversity has been to seek external recognition for their efforts by being ranked on what the rankers have termed, "the best lists for diversity." Many organizations proudly extol their rankings as a part of their marketing and recruiting strategies. The challenge for organizations is to examine the dichotomous relationship between recognition for diversity and the lack of significant empirical support for those same rankings by external organizations.

The reality is that the proliferation of list makers and rankers, along with the lack of a standard definition or methodology from which to contextualize and rank, "the best companies" has created a complicated landscape for organizations that seek these rankings. It has also called into question whether appearing on these lists can conclusively prove that an organization is "best in diversity."

Some organizations are starting to conclude that despite the rhetoric that diversity is not only about demographics, the measures they use and the rankings they seek are still largely based on EEO and Affirmative Action criteria. That is, the survey instruments ask questions about protected category diversity and use these numbers to rank organizations as best or worst in class. This is not to suggest that demographic data is not relevant to diversity. It is to suggest that an overreliance on demographic data is no different from the compliance yardstick that organizations have claimed to eschew.

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[8] The Effects of Diversity on Business Performance: Report of the Diversity Research Network. (With other members of the Diversity Research Network). Human Resource Management Journal, Spring, 2003.

It is against this clouded landscape that many organizations are becoming concerned that their absence on these lists may send a negative message about their commitment to diversity. It is amazing that only a few Chief Diversity Officers and other C-Suite Executives have begun to question the rigor behind the rankings publicly. This is because many are afraid that to question the methodology in public may lead to backlash by the rankers. In fact, I witnessed one of the rankers publicly "calling out" a company that pulled out of participating in their rankings. That ranker told an audience of diversity practitioners that the company in question was not serious about diversity. So, rather than risk that ranker's wrath and public chagrin some organizations simply do not participate in the lists and others are assessing their value.

Anecdotally, diversity professionals report that these rankings are an important recruitment tool. However, they have not reported that any potential candidate has rejected an offer because a company or organization is not on a list ranking companies for diversity.

Diversity professionals also report that they have found a correlation between the amount of their spend with some rankers and their place on the rankings. However, they are not ready to state this in any public forum for fear of backlash.

Realizing the current state of the field, The Consortium of Chief Diversity Officers at Georgetown University asked that the purpose of this study be to analyze the evolution of the diversity field to determine whether what is now required for success in the organizational context can be assessed by the panoply of diversity ranking surveys and processes currently available. In particular, they asked that this study examine the concept of diversity as organizational transformation to determine whether the current ranking instruments can and do measure this. This study also examines whether ranking organizations which sell advertising, produce diversity galas at a cost and advocate for constituent based change, can be viewed as neutral assessors and rankers of the companies to which they consult for a fee, advertise for a fee and promote for a fee.

The Consortium includes members who do not participate in the rankings process as well as members who consistently rank at or near the top of the surveys. This study is presented as information for organizations as they consider the value of rankings.

Diversity as Organizational Transformation

For purposes of this report, I use the moniker diversity as organizational transformation to mean the way that organizations use all aspects of diversity to transform the organization to a high performing, productive profitable one. From an organizational point of view, this is not about simply categorizing people based on differences and similarities and then touting how many of them exist at what levels of the organization. It is also not about a view of diversity that attempts to throw off the compliance label but is

restricted in its categorization and assessment of rankings by the compliance language in theory and application.

Background on Diversity and Inclusion: Setting the Context

Over the years, I have conducted voluminous research, both empirical and anecdotal, and have drawn some conclusions from the work of which we have first-hand knowledge. This has equipped us with the tools to develop some competencies and opinions on the subject, but when it comes to diversity no one is all knowing. Having led a university program depending on my subject-matter expertise in the field, developed the first certification program for diversity professionals at a university in the country, as well as experience leading diversity initiatives in both organizations and consulting arenas, I have encountered many situations related to the subject. I have also been fortunate enough to gain practical knowledge from experts – both of the EEO/AA era and the diversity era. It is critical to put the history of diversity and the quest for inclusion in context to understand the opportunities and limitations provided by rankings.

Thus, this section sets out to provide a historical perspective of factors impacting the evolution of the Diversity writ large. To understand how we have gotten to a period of ranking diversity, we have to understand the series of events in our historical landscape, beginning most prominently with Title VII of the Civil Rights Act of 1964. The Civil Rights Act (CRA)was the first major legislative provision to prohibit discrimination in employment for those in specified groups called "protected classes." The Equal Employment Opportunity Commission was established to oversee and enforce this law. Title VII specifically stipulates that employers cannot discriminate against workers on the basis of their sex, national origin, religion, color, or race. It is important to note that sexual orientation is not included as a protected class under the CRA; however, some states have instituted protective rights for this sector of the population.

While other significant societal events in our history — Brown v. Board of Education, Rosa Parks' defiance, the "Little Rock Nine" — paved the way for the Civil Rights Act, we believe this historic law was the modern-day turning point giving rise to sustained advancements in civil and equal rights, particularly for African-Americans, other minority groups, and women. We will summarize aspects of significant events in Equal Employment Opportunity, Affirmative Action, and Diversity work that have contributed to the making of a body of work called Diversity, and demonstrate how that work has contributed to the significant rise of the Chief Diversity Officer.

Equal Employment Opportunity

In 1965, President Lyndon Baines Johnson delivered a commencement address titled "To Fulfill These Rights" to the graduating class at Howard University. President Johnson stated, "Much of the Negro community is buried under a blanket of history and

circumstance. It is not a lasting solution to lift just one corner of that blanket. We must stand on all sides and we must raise the entire cover if we are to liberate our fellow citizens. "(Public Papers of the Presidents of the United States: June 1965).

After almost 50 years, it is clear that we have definitely not raised the entire cover. President Kennedy paved the way for the passage of the Civil Rights Act of 1964, and President Johnson orchestrated the passage of this sweeping bill. After President Kennedy's assassination, this law was passed amidst strong opposition, evidenced by the filibuster organized by a group of Southern Democratic senators. Nevertheless, President Johnson did not waiver and ensured the passing of the Bill. The significance for blacks was that, after a history of Jim Crow and blatant discrimination, employers were finally required to provide equal employment opportunities for all.

The passage of this Bill would usher in the discussion of Affirmative Action. President Kennedy used this term in 1961 to describe projects being financed with federal funds that would require nondiscrimination. In that same year, the President also established the Committee on Equal Employment Opportunity to "scrutinize and study employment practices of the Government of the United States, and to consider and recommend additional affirmative steps which should be taken by executive departments and agencies to realize more fully the national policy of nondiscrimination within the executive branch of the Government" (Exec. Order No. 10925, March 8, 1961).

The social realities and unrest of the 1950's and 1960's set the stage for what is now the profession of diversity. During this time, the south was legally segregated and there was widespread injustice and discrimination. In fact, during this time violence as a response to discrimination was the rule and not the exception. Americans watched on television as some stalwarts fought to keep segregation alive through the use of violence, and other divisive means.
By many accounts, The Civil Rights movement, was ignited by Rosa Parks when, in 1955, she refused to give up her seat in the "white only" section of a commuter bus in Montgomery, Alabama. A month later, Dr. Martin Luther King would establish the Southern Christian Leadership Conference (SCLC), and he became the organization's first president. In 1957, The "Little Rock Nine" would follow this trend as they attempted to integrate a white public school in Little Rock, Arkansas. That same year, the historic cafeteria sit-in in Greensboro, NC, led by four black Agricultural and Technical College (A&T) students took place. That event triggered the founding of the Student Nonviolent Coordinating Committee (SNCC) that was started at Shaw University in Raleigh, NC in 1960.

SNCC was led by Stokley Carmichael from 1966-1967. Then in 1968, Carmichael, along with Bobby Seale, established the Black Panther Party. We should not forget, however, the Congress of Racial Equality (CORE) founded in 1942. It was the pioneer grass-roots organization of the civil rights movement. CORE is known for its "Jim Crow" protests going back to the 1940's and has played, and continues to play, a major leadership role in both human and civil rights in our nation.

Similar to the movement for African-Americans, the women's movement has had a long tumultuous history. Noteworthy events began taking place in the 1800's when at a women's conference in Seneca Falls, NY, a declaration of independence was issued demanding full equality for women in education, compensation, the right to collect wages, and the right to vote. This event started the women's suffrage movement led by Elizabeth Cady Stanton and Susan Brownell Anthony. In 1919, with the suffrage victory drawing near, the National Woman Suffrage Association was reformed as the League of Women Voters. That same year, the amendment to grant women's suffrage was passed by the House and the Senate. In 1920, the 19th amendment to the Constitution was ratified by the states (Maryland State Archives, 2005).

Women continued their fight for equal political and economic rights for decades to come. The next wave of the movement came in the 1930's and its focus was the right for women to use birth control. Against strong legal opposition, Margaret Sanger and her supporters fought for a woman's right to determine whether or when she would bear children. It was not until 1965 that married couples in all states could legally obtain contraceptives (Legacy '98: A Short History of the Movement (2005).

The UN Commission on the Status of Women was established to secure equal political and economic rights, as well as educational opportunities for women worldwide. The women's movement would catch fire again as the National Organization for Women (NOW) was formed in 1966. A very powerful force, NOW would lead efforts to make changes in equal pay for women, the removal of legal and social barriers to education, political influence, abortion rights, and economic power for women.

Bella Abzug, Betty Friedan, and Gloria Steinem pushed the Equal Rights Amendment through Congress in 1972. Despite tensions and societal backlash —often between women and blacks — the 1960's movement brought significant achievements for women. The Equal Pay Act was passed in 1963, and 40 states would pass equal pay laws by the 1970's. The Equal Rights Amendment (ERA) was passed in 1972, but was not ratified by enough states in 1982, and was abandoned. Despite this setback, by 1997 women had moved into the workforce at a rate of 60%, compared to a rate of about 38% in 1960.

Affirmative Action-the 1960's

The signing of this Executive Order 10925 and the establishment of the Committee on Equal Employment Opportunity would temporarily quell some of the country's violence and unrest. However, as blacks continued to move forward in their struggle for equality, they were still met with much opposition from the white majority. Consequently, in 1961 James Meredith enrolled in the University of Mississippi as its first black student, he did so with the assistance of armed guards. Although the National Association for the Advancement of Colored People (NAACP) was a well-established, multiracial organization for equality by 1962,that year its Field Secretary, Medgar Evers, was brutally murdered outside his home in retaliation to his activism against Jim Crow. Dr. King delivered his famous "I Have a Dream" speech in 1963, and led a formidable movement for five more years from which the passing of historic laws would result. However, these successes were marred by the numerous racially motivated riots and

killings during that period. Amid pressure from blacks and opposition from many whites, including members of Congress, President Johnson issued Executive Order (EO) 11246 in 1965. The EO enforced affirmative action for the first time requiring federal contractors to take affirmative action in hiring and promotion of racial minority employees. Within two years of this order, there were riots in major urban centers, the Black Panther Party was formed, and Dr. Martin Luther King, Jr. was assassinated.

In 1967, President Johnson expanded EO 11246 to include prohibitions against sex discrimination. Felt to be largely influenced by the feminist movement, this would be a tremendous coup for women. Urban rebellions in the black community are credited with influencing the President's thinking that Title VII would not be adequate in radically changing the thinking of the American culture. Consequently, in 1968 the President expanded affirmative action to include "goals and timetables," which ensured that government contractors took steps to increase hiring and promotion of minorities. At the same time, tensions began to develop between blacks and women, as women advanced in their civil and equal rights efforts.

Affirmative action was meant to be a temporary measure to create a "level playing field" for all American citizens. Once the "levelness" was accomplished, there would be no need for such a program. Today, Affirmative Action still plays a role in our organizational culture; it is not, however, always a positive one. What began as a genuine attempt at undoing a wrong, has been misunderstood and misinterpreted (by some) as a system that gives an upper hand to "unqualified" racial minorities and, in some cases, women. AA was never established to function as a "quota" based system. It is a program requiring government contractors to establish goals and timetables based on availability in their communities and reasonable recruitment areas. The lynchpin of Affirmative action is good faith efforts. The Office of Federal Contract Compliance Programs (OFCCP) promulgates regulation and monitors compliance.

Organizational Implications for Diversity –the 60's

During this era, EEO/AA organizational enforcement authority belonged to the Personnel Department. Most of these departments were run by white males, who were feeling victimized by the very programs they were charged to oversee. Many times, they were in partnership with management who hired them to be their right hand and to bring in people who would "fit" with the culture of the organization. Many leaders did not understand why blacks were discontent with the current situation; weren't they happy about the progress they had been making since the passing of affirmative action requirements? Michael Dyson wrote about the different views of blacks and whites during and before the 60's, "... they often didn't even agree about what they saw: many whites saw roses where many blacks saw thorns" (Dyson, 1996).

The 70's

During the early 70s, racially-charged civil tensions dissipated somewhat, and women's rights came of age during the period from 1971 to 1978. For example, in Alaska and

Montana, women were paid for the first time since World War II for fire suppression work. Title IX of the Education Amendment was passed to prohibit gender discrimination in educational programs receiving federal assistance. The Roe v. Wade decision would give women the right to legal abortions. President Ford signed a law admitting women to military academies, and Title IX went into effect allowing women increased opportunities in athletic programs and admission to top professional schools. For blacks, public school busing began when a court order went into effect in Charlotte, NC, Boston, MA and Denver, CO. In 1975, the American Medical Association called for the repeal of state laws barring homosexual acts between consenting adults.

The quiet after the storm came in 1975 when the historic Regents of the University of California v. Bakke case helped to bolster this notion that affirmative action had simply and unconstitutionally given "unqualified" racial minorities opportunities over qualified whites. The Bakke case created its own counter intuitive moniker – reverse discrimination. Bakke's lawsuit claimed he was a victim of "reverse discrimination" because a racial minority student with lower test scores gained admission to the University's medical school under affirmative action guidelines. The court upheld affirmative action principles but rejected fixed racial quotas as unconstitutional. For most, this ruling was confusing and was interpreted as a win for white males who had claimed to be victims of affirmative action programs. Executive Order 11246 never called for racial quotas, but rather "good faith efforts" to hire and promote racial minorities and women. More than any place else in America, the controversy over the Bakke case was felt within organizations, causing strong and enduring tensions between blacks and white.

Organizational Implications-the 70's

Despite high tensions, during the Affirmative Action era appointments were made in companies and organizations across the country with titles like Affirmative Action Officers, Equal Employment Officers, and EEO Managers and Specialists. The primary responsibility of these individuals was to police the very ones who hired or appointed them. These relationships were often hostile and combative. Moreover, organizational productivity suffered because of the amount of time these individuals spent reviewing hiring and promotion rates and developing lengthy documents to chastise management and meet compliance requirements. This type of exercise only served to create deeper tensions and divisions amongst blacks and whites, as well as the compliance officers and the persons to whom they reported.

Some U.S. corporations, government agencies, the military, as well as the non-profit and religious sectors responded to the unsettling times of the 60s and 70s by initiating anti-racism efforts. This response often included workplace dialogue and training in social justice. Given the realities of social unrest, these organizational leaders thought that they had to help their employees deal with these issues because it was morally right. At the same time, some organizational members responded in ways that were not very positive; many of them were just not receptive to having racial minorities in their organizations.

There was no such thing as a business imperative or value proposition to encourage organizational leaders to hire and promote racial minorities and women, or to convince them that these actions would be beneficial. What we know today as human resources programs – called Personnel at the time – were not equipped to, and most were probably not interested in addressing the issues. At the same time, the country had begun building a new group of leaders who were competent and capable of taking on the challenges of managing in organizations. Some of these leaders were mentored by the likes of Vernon Jordan, Andrew Young, and Barbara Jordan. There were also others who used their prestige and social and political clout to influence companies to hire young blacks and "give them a chance". These leaders would then mentor and coach the young entrants as they made their way up the organization ladder.

Compliance brought with it the fear of potential sanctions brought down by the EEOC or the OFCCP due to lack of adherence to AA guidelines. There were historic individual and class actions suits brought by employees of major Fortune 500 companies. This fear caused some leaders to hire unqualified racial minorities and women. In some instances, white males had legitimate cause to suspect unfair human resource practices because some would sabotage affirmative action by deliberately hiring blacks who they knew would not be successful. They could then return to the organizational leadership and say, "We tried, it didn't work and so we have done our part. Of course, there were many whites who did not have successful careers; however, in the view of some, this was beside the point.

The 80's

The climate in the early 80s consisted of a number of advancements for women: Sandra Day O'Conner was elected to the Supreme Court; the late Geraldine Ferraro was the first woman to become a vice-presidential candidate on the Democratic ticket; sexual harassment was deemed illegal by the Supreme Court; the Equal Rights Amendment, calling for equal pay for equal work was passed. The Women's movement advanced at full steam.

In *Fullilove v. Klutznick*, the Court ruled that some modest affirmative action quotas were acceptable. The Court upheld a law requiring that 15% of funds for public works be set aside for qualified minority contractors. On the other hand, in the City of Richmond v. Croson case, the Court ruled affirmative action as a "highly suspect tool" in a set-aside program for black-owned firms in the construction industry. The Court held that affirmative action must be subject to "strict scrutiny", and is unconstitutional unless racial discrimination can be proven to be "widespread throughout a particular industry." These rulings sent mixed societal messages and caused more confusion for those attempting to interpret the meaning of such rulings.

Organizational Implications The 80's

This era would be the defining moment for what Thomas and Ely called the

Discrimination-and-Fairness Paradigm (Thomas & Ely, 2002). According to the authors, under this paradigm, leaders focused primarily on equal opportunity, fair treatment, recruitment and compliance. In this theoretical concept, progress is measured by how effectively a company achieves recruitment and retention goals, but it falls short of tapping into differences that might enhance an individual's growth and development. The unfortunate downfall to this paradigm is that the culture of the organization does not change, and therefore minorities and women often fall short of what is expected of them. Both individuals and the organization lose in the battle of increasing organizational effectiveness when operating under this paradigm.

The 80s were a good time for women (especially white women) because the legal climate helped to accelerate their rise into prominence in organizations. As a result, many African-Americans felt slighted because women were getting the better, higher paying positions.

In those days, training was typically called cultural diversity training with the purpose being to educate organizations on the subject of fairness and equal opportunity. These sessions were often very confrontational and frightening for whites, particularly males. Many of the trainers were African-American who followed in the footsteps of their affirmative action predecessors, and who instilled a sense of fear in those who might have harbored racial biases. In many ways, the training was as uncomfortable for some African-Americans and other minorities as it was for whites. After some time, it was evident that there had to be a more productive way of dealing with the issues of differences in organizational settings.

In 1987, the Hudson Institute published Workforce 2000: Work and Workers for the 21st Century (Johnston & Packer, 1987). According to the report, the majority of new entrants to the workforce would be primarily white women and people of color. The report also introduced the concept of work-life balance where the needs of employees' families were also important. Organizations were warned that they must introduce work-life balance as a way of doing business or risk losing valuable employees. The Hudson Report was unsettling because, for the first time, it was predicted that organizations would have large numbers of minorities in their ranks; the report made that inevitability appear to be unmanageable.

Readers of the report misinterpreted the graphs because it led them to believe that white male representation in the workforce would drastically decrease, while minority representation would soar by the turn of the century (Stockdale & Crosby, 2004). However, these increases did not occur as predicted, and in 1997, the Hudson Institute published a new report, Workforce 2020, Work and Workers of the 21st Century. The authors, (Judy & D'Amico, 1997) were cautionary about their projections indicating that assumptions about fertility, mortality and immigration were subject to large regional variations.

The Workforce 2000 report predictions that the Hispanic population would be the fastest growing and the next largest minority in the United States, this would hold true as

Hispanics (12.5%) surpassed African- Americans (12.3%) in 2005 (U.S. Census Bureau, 2005). By 2006, the Hispanic population had reached 14.8%; African-Americans were at 13.4%. (U.S. Census Bureau, 2006). While Hispanics have not been a major political factor in the country's civil rights history, they are becoming a powerful force. Most of their focus has been around the issue of immigration. Until recently, Hispanics had not rallied around major issues as a united people, but instead dealt with them based on their country of origin, i.e. Mexican, Puerto Rican, Dominican, Cuban, etc. However, this situation changed significantly over the years, as was evidenced in 2006 when Hispanics launched massive demonstrations across the county in support of immigration rights.

Although affirmative action and diversity are different, during the evolution of diversity, the two were sometimes used interchangeably. Margaret Blackburn-White, Editor of The Diversity Factor, saw the confusion between affirmative action and diversity as another drawback of this phase. In some organizations, the AA/EEO function was simply renamed diversity with the hope that this controversial and often deliberately or inadvertently misused program would be more palatable with a new name.

Diversity The 90's

Early in the 90's, the focus was mainly on how to define diversity. Many hours were spent trying to come up with the perfect definition to meet the needs of all constituents. Cox and Beale define the term diversity as a mix of people of different socially relevant group identities working or living together in a defined social system" (Cox & Beale, 1997). A social system can be a city, a state, an organization or any defined area embodying that mix of people. The authors further explain that this definition embodies U.S. demographic categories – national origin, gender, race, and age. It also includes group affiliations such as occupational specializations and organizational levels. Margaret Blackburn-White believes that any definition of diversity should have its goal culture change. This type of change addresses racism, sexism and other forms of discrimination and oppression in order to create organizations and a society in which all people have equal opportunity (Blackburn-White, 1998). Marilyn Loden believes that "any definition of diversity should include those important characteristics that impact individuals' values, opportunities, and perceptions of self and others at work and highlights how individuals aggregate into larger subgroups based upon shared characteristics" (Loden, 1996).

Understanding the components of all three of the definitions above constitutes the most important work of a Chief Diversity Officer. Essentially, diversity work requires a mix of people working together in a social system with the objective of cultural change to ameliorate racism, sexism and other forms of discrimination and oppression in which all people have equal opportunity and access. The core work of a CDO is to manage and lead an organization whose objective is to eradicate all forms of discrimination, racism, oppression and unearned privilege by effectively implementing organizational and cultural change. The result of this work when done effectively by a CDO, is an agile, high performing, equitable organization that can deliver shareholder value because it is not distracted by the tangible and intangible costs of exclusion.

Moreover, with the CDO ensuring that this work is done, the organization can ensure that the eradication of these distractions moves the organization in a transformative direction. That transformative direction is both about the way the organization announces its values and lives them. It necessarily requires unpacking all aspects of organizational life not as shorthand for compliance, but as longhand for transformation and thus performance.

Organizational Implications the 90's

The U.S. Department of Labor published "The Glass Ceiling Report" that substantiated the existence of an invisible barrier preventing white women and people of color from reaching the top echelons of organizations (Martin, 1991). Concurrently, backlash and cries of "reverse discrimination" occurred. Both the Hudson Institute report and the Glass Ceiling Report caused a firestorm in much of corporate America, and by default, moved diversity to its next phase. During this phase, organizations spent considerable time, energy and resources to determine how the demographic shifts predicted by the Glass Ceiling Report would affect their human resources sourcing, recruiting and retention functions. Some argue that this is where the diversity industry began. It was during this time that organizational leaders determined that there were business reasons for "doing" diversity. This meant that U.S. business must take advantage of all differences if they were to remain competitive. They could no longer afford to ignore the presence of diversity in the workplace. Organizations were directed to find those business reasons, articulate them, and tie them to the organization's goals and objectives.
Taylor and Ely's Access-and-Legitimacy paradigm is distinguished by the acceptance and celebration of differences, which occurs when organizations push for a more diverse clientele by matching the demographics of the organization to those of critical consumer or constituent groups (Taylor & Ely, 1996). It was the classic position of companies during the nineties. At the time, most constituents seemed to agree that it was an acceptable approach. While this approach provided opportunities for individuals, not much thought was given to how to effectively manage people who were different so they would learn and grow and ultimately become more highly functioning employees. The attempt to showcase diversity took a backseat to examining how these employees could be integrated into the company's mainstream by making meaningful contributions.

Organizations would take advantage of this era by assigning racial minorities to functions and areas of responsibility where they had similar customer bases. During this era, many organizations engaged in racial profiling with wanton abandon. In a way, this separated those who were "different" from the company's main strategy, and focused on particular customer segments that would help to maintain and increase the company's bottom-line. While this approach had some business appeal, it did little to help racial minorities develop competencies in key areas of the business. This meant that promotional opportunities and career enhancement for these groups of employees would be limited.

Diversity leaders were then tasked with trying to substantiate the diversity "business case." Did diversity truly add to the organization's bottom line? Did it add value? Were hiring and retention programs for racial minorities and women working? Consultants

were brought in, cultural audits were conducted, and training efforts escalated. Diversity managers often found themselves torn between the "business case" and trying to support the needs of diverse employees. Another example of a company receiving its return on investment was being named an "Employer of Choice." Diversity leaders had to arm themselves with statistics proving that putting diversity initiatives in place would make organizations more profitable. Those supporting the initiatives would learn to use the proper jargon to prove their case. Managing workforce diversity was being widely touted as the method to appropriately manage in a competitive marketplace. It was never clear of course what it meant to effectively manage diversity; was the term a pejorative for "managing racial minorities" because they needed to be managed?

2000 - 2008

In 2000, Goldman Sachs ran an ad describing diversity this way – "it's hard to define what diversity is because everyone has an opinion" (Working Woman, 2000). Despite this view, by the year 2001, three- quarters of Fortune 1000 companies had begun diversity initiatives. In some instances, the results were favorable, for others it was a continuation of valuing diversity programs focusing primarily on training. The conundrum was these organizations had mastered how to make billions of dollars, but they could not figure out diversity.

Leading into 2000, there was considerable discussion and debate as experts took different views of what managing diversity meant. There are generally two schools of thought on the definition of managing diversity. One school of thought is that diversity includes those categories of individuals who were victims of past discrimination – race, gender, national origin, sexual orientation, age and disability. Therefore, any managing diversity initiative would primarily include those groups. The other school of thought treats all differences as if they are essentially the same (Stockdale & Crosby, 2004). Dr. Roosevelt Thomas describes diversity as "any set of differences and similarities in any setting." In his view, diversity management is the process of making quality decisions in the midst of this diversity (R. Thomas, 2006).

Organizational Implications– The 2000's

Inclusion came into the mainstream in the 2000s as a way of taking diversity a step further. Diversity is distinguished from inclusion in that it has been used primarily as a way of enhancing opportunities for racial minorities, women, and others long excluded from the organizational mainstream. Inclusion ensures that: 1) all talented employees in the organization are valued for their contributions; 2) all can compete effectively; and 3) that barriers to success, whether they be historical or organizational, are identified and steps are taken to remove them. The majority of the existing models on diversity do not effectively focus on identifying what the barriers to organizational success are, or removing those barriers, or allowing people to compete without limitations within the organizational structure.

The inclusion approach is closely aligned with Thomas and Ely's Learning-and-Effectiveness paradigm (David & Ely, 1996). They describe this paradigm as "an outlook on diversity that enables the organization to incorporate employees' perspectives into the main work of the organization and to enhance work by rethinking primary tasks and redefining markets, products, strategies, missions, business practices, and even cultures." Done the right way, they believe that this approach opens opportunities for diverse individuals to not only bring their true selves to work, but they would work in untraditional ways that tap into those differences, and impact the overall productivity of both employee and organization. This paradigm does factor in oppression and its associated obstacles and barriers.

While many organizational leaders began using inclusion language in the early to mid 2000's, not very many actually put it to practice. Towards the mid-nineties, the title Inclusion was frequently used in the titles of those doing diversity work. The role of diversity leaders started to gain much more credibility in the 2000's. It appeared that most leaders were beginning to realize the importance of having someone to lead diversity who had business skills and competencies. Employees who were lawyers, marketing experts and public relations experts began to take over the role of diversity. This was an attempt to make a business link between diversity and the company's strategic goals and objectives.

Diversity and Beyond: The Quest for Inclusion

Inclusion in the lens of the Learning-and-Effectiveness paradigm is a difficult shift. There are some people in organizations who still believe that people of color and women can succeed if they simply apply themselves. They believe it is the failure to apply oneself that is the issue, not insidious barriers. Other organizational leaders believe that access to opportunity is granted to everyone without regard to difference, and some organizational leaders do not truly understand the differences between compliance, diversity and inclusion. Fearing "backlash" and discord, many diversity initiatives ignore the difficult issues and focus instead on those things that don't rock the proverbial boat. Until organizational leaders change these realities, the shift to a more inclusive paradigm will be challenging.

The preconditions for making the shift to the inclusion paradigm are that top management:
- ✓ Really understand what diversity is
- ✓ Acknowledge and address the historical barriers to inclusion
- ✓ Discover, examine, and address the existing barriers to inclusion
- ✓ Realize the reality of oppressive policies and procedures and begin to eradicate them
- ✓ Examine themselves and their organization for oppressive behavior in their workplace
- ✓ Take action that is aimed directly at resolving these issues
- ✓ Take a whole systems approach to eradicating exclusion of all kinds in an

organization
- ✓ Link the success of diversity efforts to organizational performance
- ✓ Use a broad approach to diversity and inclusion efforts that are not restrained by compliance
- ✓ Aspire to organizational transformation with diversity and inclusion as strategic and intentional enablers

Successful inclusion initiatives cannot ignore the historical context from which diversity was born. As Margaret Blackburn-White said, "today's leaders can no more accomplish the task of learning to see these things by themselves than the earthworm can define the quality of the soil it lives in. They must use the perceptions of those diverse others to find the barriers. And then they need skilled and experienced professionals to help to set about, methodically and determinedly, to find culture-specific and appropriate ways to remove them" (M. Blackburn-White, 1998).

Ignoring the historical context from which diversity was born is not the same as being bound by it.

The rise of Diversity Rankings

It is against this historical and organizational backdrop that commercial and advocacy groups found the opportunity to enter the contested space of ranking diversity efforts. First, the work had started to gain traction in corporate America and beyond. Second, as with any other organizational effort, the rankers knew that organizations would soon want to set themselves apart from each other with outside praise and third, the rise of the internet would make such ranking easily accessible in a fierce PR battle for praise.

Many organizations and practitioners have taken diversity rankings as gospel. The problem though is that these rankings cannot and do not distinguish between diversity as a signal of the progress of protected categories in the workplace and diversity as a tool in organizational transformation.

Paradoxically, then, to rationalize the practice of diversity hiring as a form of signaling undercuts the basic premise that animates the evidential view of the value of diversity. This view regards the existence of diversity in certain institutional settings as valuable because it evidences the operation of a socially progressive ethos of equality, fairness, and nondiscrimination. [9]

Given the complexity of diversity as organizational change, how can any ranking claim to accurately measure diversity's success in an organization beyond demographics, numbers and compliance?
It cannot.
There are simply too many limitations, definitions, approaches and contradictions in organizations' approach to diversity to make any diversity ranking methodologically and

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[9] Patrick S. Shin, Diversity v. Colorblindness, 2009 BYU L. REV. 1175

intellectually sound.

Scope and Methodology:

This is a research study commissioned by the Consortium of Chief Diversity Officers at Georgetown University. We examined diversity rankings used by Diversity Inc., Diversity MBA Magazine, Black Enterprise Magazine, Working Mother Magazine, The Human Rights Campaign, Working Mother and Hispanic Business Magazine Top 60 Diversity Elite.

The survey instruments and the publicly stated methodology of the aforementioned organizations were analyzed. In addition, I conducted interviews with over 300 diversity practitioners and business leaders globally to assess their understanding of the rankings process.

I also conducted a voluminous review of the diversity and business management literature.

All of the documents and literature reviews were analyzed using the basic principles of research. Those principles of research are set forth below.

The analysis subscribes to basic principles of research as guidance.   Among those principles:

- Research involves an eclectic blending of an enormous range of skills and activities. Social research is theoretical, meaning that much of it is concerned with developing, exploring or testing the theories or ideas that social researchers have about how the world operates. But it is also empirical, meaning that it is based on observations and measurements of reality -- on what we perceive of the world around us. One can even think of most research as a blending of these two terms -- a comparison of our theories about how the world operates with our observations of its operation.

- The next term -- *nomothetic* refers to laws or rules that pertain to the general case (nomos in Greek) and is contrasted with the term "idiographic" which refers to laws or rules that relate to individuals (idios means 'self' or 'characteristic of an individual ' in Greek). In any event, the point here is that most social research is concerned with the nomothetic -- the general case -- rather than the individual. Researchers often study individuals, but usually are interested in generalizing to more than just the individual.

- In our post-positivist view of science, researchers no longer regard certainty as attainable. Thus much contemporary social research is ***probabilistic***, or based on probabilities. The inferences that we make in social research have probabilities associated with them -- they are seldom meant to be considered covering laws that pertain to all cases. Part of the reason we have seen statistics become so dominant in social research is that it allows us to estimate probabilities for the situations that researchers study.

- The last critical term is ***causal***. Researchers must use great care when using this term. Note that it is spelled *causal* not *casual*. The term causal means that most social research is interested (at some point) in looking at cause-effect relationships. This doesn't mean that most studies actually study cause-effect relationships. There are some studies that simply observe -- for instance, surveys that seek to describe the percent of people holding a particular opinion. And, there are many studies that explore relationships -- for example, studies that attempt to see whether there is a relationship between gender and salary. Probably the vast majority of applied social research consists of these descriptive and co-relational studies.

- For most social sciences, it is important to go beyond just looking at the world or looking at relationships. Ranking companies for diversity means that the ranking organization be automatically interested in causal relationships -- ones that tell us how our causes (e.g., programs, treatments) affect the outcomes of interest. [10]

Based on an analysis of the surveys, interviews, the approaches outlined above and the self-reported methodologies of the rankers in this study, I have concluded as follows:

Observations and Critique of Diversity Rankings

1. There is no universally accepted definition of either diversity or inclusion. There is also no universally accepted methodological approach for the business of ranking diversity. Thus, rankers are subject to valid criticism based on the indicators that they choose to employ and the weighting formula they apply.

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[10] http://www.socialresearchmethods.net/kb/naturres.php

2. The practice of diversity and thus inclusion is neither an art nor a science. Thus, attempts to quantify the practice and rank organizations based on ostensibly objective criteria cannot, nor should not escape critique. This criticism is not evidence of a lack of commitment to diversity. It as an acknowledgement of the limitations of the profession and the nascent ability of rankers to acknowledge this reality and design ranking methodologies that will address these realities.

3. Many organizations are growing and expanding globally. However, the ranking methodology used by most rankers and list makers has not been redesigned to account for this reality. Admittedly, some rankers and list makers have added the word global to their request. This is not sufficient. What is required is for rankers and list makers to understand the reality that in the global landscape, the mix needs to be reassessed as each geography will be different and different again from a global perspective.

4. The global dynamics of diversity and organizational transformation is itself a nascent field.

5. The rankings are done either by private enterprise driven to sell products, services etc., or by organizations advocating for a particular segment of the population. In the case of the private enterprises, they also sell products and services that are designed to help organizations improve their ranking position. The inherent problem with this is that in many of the rankings there can be and are widely divergent results from year to year because the ranking and weighting criteria change from year to year. It follows then that year-to-year positioning and comparisons, when made, can be very misleading.

6. It is worth noting that the scoring method used by the Human Rights Campaign is notable for its simplicity. Organizations either have these policies in place or they do not. Thus, the only way for an organization to increase its score is to adopt the policies. HRC defines a best place to work for GLBT based on the policies' rankings. There is thus, no mystery.

7. The rankers ask the ranked to provide the information that is used to produce the rankings. This makes it much easier for the ranked to manipulate the data that it presents to the ranker.

8. It is still unclear what specific and particular metrics the ranker's use and the relative weights assigned to each. A careful look at the information requested by the rankers shows that the kind of information they ask for is the diversity information that is readily available rather than the information that will be best used to assess diversity as organizational transformation. By this we mean using diversity and inclusion to transform an organization's culture. In our next research study, we will clearly detail what diversity as organizational transformation is from a theoretical and practical perspective.

9. There is no evidence from the information that we analyzed or from information in the literature that rankers engage in their own high quality data collection measures. Instead, they simply rely on the information that is either easily available or easily collectable to serve as their "data sets."

10. There is an almost infinite number of measures that rankers can and do use to gauge the best companies for diversity. Since no one ranker has the capability to

capture them all, any organization that looks to these rankings to capture them all are cautioned that such expectations are unrealistic.

11. There is very little transparency in the diversity ranking process. Rankers often publish a sanitized version of the methodology they use. This lack of transparency about the methodology used to create the rankings adds to rather than takes away from the confusion on diversity rankings. It also calls into question whether the methodology used and the outcomes are more than just a best guess.
12. Rankers must be honest about the inherent and unavoidable conflict of interest that is presented by ranking organizations as best in diversity and selling them products and services meant to improve their diversity performance. Plausible deniability is no longer acceptable.
13. The lack of precision and standardization in these surveys is a major cause for concern. The use of the terms diversity and inclusion lack precise definitions making the surveys problematic from a social science point of view. The tendency to use them in technology is also problematic.
14. The survey instruments and rankings derived from these instruments have been vital to creating awareness and stimulating discussion and analysis about diversity in organizations. The problem, however, is that an organization can do this on its own. Thus calling into question the value of "rankings".
15. Many of the reports issued by the rankers are of little actionable value except to encourage the ranked to increase their demographic profile in a given area. I posit that organizations should already know their demographic data and the steps they need to improve their demographic profile. The fact that they do not is more a question of demonstrated commitment than anything else.
16. Diversity rankings are best understood as a self-fulfilling prophecy. Some organizations have participated in rankings for a very long time. They do so largely to increase their reputation in diversity. They intend to protect that reputation at all costs. Those organizations that have participated in rankings for a long time have the most to gain by managing their diversity reputation. Thus, those that have traditionally fared well on diversity rankings will tend to have their reputations enhanced by annual participation and vice versa. That is, organizations use these rankings to promote themselves as having an excellent reputation in diversity and rankers profit from helping them manage that reputation.

17. The appearance of objectivity provided by outside rankers needs serious examination by the ranked. In a field crying out for reliable diversity datasets, these rankings have taken on a life of their own. They appear on the Internet, in publications, in external public relations material and the year-to-year-comparisons that the rankers provide are simply not justified by their methodology. The problem is that the methodology has not caught up with reality.
18. Rankers should disclose the qualifications and experience of the persons doing the rankings as well as their academic background. This should also include their qualifications in both research methods (qualitative and quantitative) as well as research design.

19. Rankers who claim a separation between editorial, advertising, events and rankings functions should have the burden of proving this.
20. Rankers should submit to a transparency audit by an outside board of visitors to assess the transparency and efficacy of their rankings methodologies.
21. To produce the rankings, the rankers require a great deal of data and transparency from the ranked. However, the rankers fail to provide such transparency themselves. Some even bristle at the thought and call this request for transparency an attempt to request proprietary data. Others call it an attempt to destroy their business. These responses speak for themselves.

Conclusion and final observations

Diversity continues to be critical in many organizations. Diversity rankings are becoming a staple of the diversity landscape. Thus, the time has come for organizations to demand more from ranking organizations. It is not enough to simply provide organizations with information that they can gather for themselves. Rankings in their current state are not particularly useful to the stated goal of crowning organizations best in class. The term best is relative, vague and does not reflect the differences in approaches to diversity of organizations.

Organizations are complex entities and the rankings do not account for the complexity of organizations efforts to try to assess commitment to diversity.

No single ranking can address the multiple ways in which diversity works across sectors and industries. Rankers do not release the inherent limitations of their ranking methodologies making it difficult to determine if and or how the rankings are appropriate. In other words, rankings over promise and under deliver.

The simple rationale for ranking companies as best in diversity rests on precarious intellectual, practical and research grounds. That is, the rankings thesis that being ranked best as a company for diversity is proof of success in diversity outside the context of compliance simply does not hold up. In fact, the efforts at ranking to date are best viewed as attempts at reputation management rather than diversity as organizational transformation. The problem however, is that as these rankings become more commonplace, organizations refusing to participate in these rankings are being criticized in public forums by the rankers themselves.

This results in some reputational devaluation. But, the more widespread rankings become overtime, the less meaningful their content will be as an organization can pick and choose those rankings that either cost the least to participate in or are the easiest to complete. Maybe the rankings landscape is a testament to where the profession of diversity and inclusion finds itself. If this is true, the quest for outside recognition based on elusive criteria will undermine diversity as organizational transformation and relegate it to the land of compliance and visual diversity.

The point of this study is not to encourage or discourage any organization from participating in diversity rankings. Organizations must make that decision for themselves. Nor is it to advocate that we do diversity rankings as neither the Consortium nor Georgetown University is in the business of diversity rankings nor will we be. It is to get organizations to consider that diversity rankings are becoming the norm in large part because of their participation in these rankings. Organizations must ask themselves whether they wish to help support a norm without a critical look at the value of that norm to diversity as organizational transformation.

If the history of diversity teaches us anything it is that diversity can and does get embroiled in controversy in large part because of our failure to make and sustain change rather than accept smoke and mirrors. Our reasons for participating in diversity rankings cannot be so void of substance that we are willing to favor outside recognition over rigor and transparency.

We should send a clear message to rankers that their methodologies must be as transparent to us as they expect our responses to be to them. Otherwise, we risk institutionalizing a problematic posture that our diversity efforts are justified by the amount of dollars we spend in outside recognition and reputation management. That view will forever relegate diversity to a politically correct discourse with spurious organizational value.

Is this destined to be our legacy?

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