

Diversity management: Beyond quotas

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Today's workforce is arguably the most diverse in history. Yet, as IESE's Nuria Chinchilla and Hugo Cruz contend, to properly manage such diversity requires transforming the traditional quota-based approach.

In today's business environment, diversity is not just an everyday reality for organizations; it is a fundamental business need.

To compete in a highly dynamic global market, companies must attract and retain talent from across a broad spectrum of countries, age groups and cultures. As such, managing diversity has become a strategic imperative whose impact goes far beyond recruitment and hiring policies.

Yet, for many companies, diversity management is simply a question of meeting certain quotas for incorporating minorities and women.

As IESE Prof. [Nuria Chinchilla](#) and researcher Hugo Cruz argue in a technical note, this approach to managing diversity has one major drawback: namely, the sheer breath of today's diversity.

The diversity of diversity

The range of diversity criteria used by organizations today has become so extensive that it is virtually unmanageable at the practical level.

This is because diversity encompasses differences not only in people's race, gender and

creed, but also in age, experience, education, roles and even personality. Many of these factors are difficult to manage.

According to the authors, corporate diversity management should instead focus on circumstances that are manageable and which help to achieve unity across the entire organization.

There are two areas that upper management can address: people's motivations for action, and their professional skills and leadership abilities.

Motivational strength

Regardless of their profile or culture, the motivations that lead people to perform actions can be one of three types: extrinsic, intrinsic or transcendent.

Extrinsic motivations are about satisfying a set of tangible needs. Money is considered the predominant universal motivation. There are also certain intangible needs at the individual level, such as awards and recognition.

By contrast, people with intrinsic motivations willingly engage in tasks for the purpose of learning and improving their skills and capabilities. Thus, their satisfaction comes from the work itself.

Finally, if a person is driven by transcendent motivations, they realize that their actions affect others, and they take those people's needs into account. For them, satisfaction derives from being useful to others.

A person's motivational strength depends on the degree to which each type of motivation determines their conduct.

Someone who is driven primarily by external factors is likely to have relatively weak motivation, as they will only be prepared to act in exchange for maximum, and often short-term, gain.

If their motivations are more intrinsic, then they will stop contributing to the organization once they have met their needs or whenever a challenge falls below their expectations.

Conversely, if their motivations are transcendent, they will only cease to act once they have overcome all their challenges or have satisfied the needs of other people inside or outside of the organization.

A diversity of skills

If organizations develop a better understanding of the motivational strengths of their diverse workforce, they will be better able to manage each employee's integration and development.

When a person's motivations for action are predominantly extrinsic, they primarily need business skills such as market knowledge or analytical ability.

That said, it should be kept in mind that focusing exclusively on these types of skills creates a mechanistic management paradigm, where the sole objective is efficiency and positive return.

When a person is driven by intrinsic motivations, they must complement their business competencies with interpersonal skills such as communication, conflict management, charisma and teamwork.

This management approach gives rise to a psychosocial paradigm, whereby the organization aims to be effective and also attractive to employees and society at large.

Lastly, people whose actions are driven by transcendent motivations require a far more personal style of leadership, as well as leaders who excel not only in terms of interpersonal and business skills, but also at the intrapersonal level.

There are eight core skills needed for this type of leadership: stress management, self-criticism, self-awareness, learning ability, decision making, self-control, emotional balance and integrity.

Companies looking to develop this kind of talent should be managed with an anthropological paradigm, which seeks to achieve not only efficiency and attractiveness but also organizational unity.

Unity in the face of diversity

Recruiting and retaining employees with varying profiles can become a source of competitive advantage.

However, the company's ultimate goal shouldn't be merely to increase its diversity. Instead, it should strive for unity across the organization by building a high level of commitment

among its employees regardless of their differences.

This commitment is achieved when there is a high level of motivational strength, based primarily on transcendent motivations.

To make that happen, diversity management policies must conform to an anthropological paradigm that values the dignity of each person as a unique individual who must not be discriminated against by external or internal differences.

And to achieve that, companies must make diversity management an integral part of their mission statement, as well as compatible with their employees' motivations.

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