

Forum Proceedings

The State of Workforce Diversity 2012

Overview

On April 23, 2012, the Office of Diversity Studies of the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey conducted a workforce diversity forum. Participants, including 120 chief diversity officers; corporate executives; representatives from higher education, federal reserve banks of New York and Philadelphia, and national and state governments; policymakers; employers; labor unions; and other interested parties, gathered to discuss the current and future state of diversity in both the workforce and society.

Presentations were given on a variety of topics, including the Johnson & Johnson (credo and its positive impact on setting and sustaining the Johnson & Johnson culture, and the role of diversity management within the corporation; insights and solutions on current diversity trends and best practices; and an expert panel discussion on the Hispanic consumer market and its social and political realities.

Speakers in order of appearance:

- **Dr. Carl Van Horn**, Professor and Director, Heldrich Center
- **Robert L. Lattimer**, Senior Fellow, Diversity Studies, Heldrich Center
- **Bill Weldon**, Chairman/CEO, Johnson & Johnson
- **Toni Riccardi**, Senior Vice President of Human Resources and Chief Diversity Officer, The Conference Board
- **Robert Montemayor**, Director, Latino Information Network @Rutgers
- **Esther Novak**, Founder/CEO, VanguardComm
- **Ramon J. Pineda**, Senior Vice President, Univision
- **Ramona Blake**, Manager, Diversity and Inclusion, PSEG
- **Anthony P. Carter**, Vice President of Global Diversity and Inclusion and Chief Diversity Officer, Johnson & Johnson

Setting the Context

Dr. Carl Van Horn presented the Heldrich Center's 15-year history of conducting research and developing workforce solutions. He also discussed the Center's focus on diversity in the workplace, including its role in conducting research and developing solutions for employing people with disabilities. He commented that this forum was the fourth in a series on workforce diversity, with both a local and global perspective. Dr. Van Horn extended his thanks to Anthony Carter of Johnson & Johnson and Ramona Blake of PSEG for their financial support of the forum.

Framing the Issues

Robert L. Lattimer began his presentation by commenting that the high caliber of the gathering makes it apparent that the issue of diversity in society and America's workforce is an important topic. That, along with the presentation by Bill Weldon of Johnson & Johnson offering insight into the operations of one of America's most admired corporations (as cited by *Forbes Magazine*); the keynote presentation by Toni Riccardi of The Conference Board about diversity trends and best practices within the workforce; and a Hispanic consumer market panel discussion with experts, practitioners, and thought leaders that will be moderated by Robert Montemayor of Rutgers University, would allow for content-oriented discussion with depth and range. Lattimer concluded his opening remarks by conveying a special thanks to Ramona Blake of PSEG for the organization's financial support of the forum, and additional appreciation to Anthony Carter of Johnson & Johnson for his ongoing support and collaboration, for which the program would not have been possible.

Given the magnitude of this year's program, Lattimer will focus on the following four topics in summary form:

1. Diversity and the current U.S. Supreme Court: *Fisher v. University of Texas*.
2. Creativity, innovation, and productivity within the organizational context: Team performance and diversity, process, and productivity, important research.
3. Diversity conversations with a few American CEOs, regarding the role and expectations of the Chief Diversity Officer.
4. Diversity measures: How to evaluate and measure diversity programming and progress, and how the Heldrich Center contains 21 measures for which to conduct such an assessment.

Diversity and the U.S. Supreme Court

Fisher v. University of Texas involves Abigail Fisher, who was seeking admission to the University of Texas less than four years ago but was not admitted. The University of Texas, like the University of Michigan (the preceding similar case), and like many other top tier

universities, has a policy of considering test scores, grades, leadership traits, community service, military service, economic status, race, gender, work experience, and other factors as part of the profile of the qualification for admission. Ms. Fisher sued the University of Texas claiming reverse discrimination, and it is believed that the Supreme Court will hear the case in June of this year, and could render a decision by January 2013.

Not since the 2003 Barbara Grutter v. University of Michigan case (for which Lattimer is listed by the Supreme Court as an authority), would the Court address such a powerful case, a case with far-reaching impacts affecting higher education, corporate and government hiring, and so much more. In the University of Michigan case, the Supreme Court affirmed diversity in higher education with a five to four decision by stating “the pursuit of diversity in higher education is a compelling state interest because it prepares all students to succeed in, and enhance the global community.” The implications will be profound whichever way the Court decides in January 2013.

Creativity, Innovation, and Productivity within the Organizational Context

Based on Lattimer’s applied research entitled “Team Performance and Diversity: Process and Productivity,” and the research of many others, the relative findings are that diverse teams outperform homogenous teams at conducting the two fundamental activities that affect the performance of organizations daily: problem solving and decision making. This leads to the unleashing of creativity, which has proven to enhance greater levels of productive innovation.

The exception to the research findings is the dilemma associated with assimilation and “group think.” These two factors are powerful barriers to organizations realizing benefits from the diversity that is within their workforce. This dilemma causes the discussion to be continued.

Diversity CEO Conversations

Given the large number of those with the role and responsibility of promoting diversity within their companies in attendance, Lattimer shared a brief summary of the conversations he has had with the leadership of organizations over the past three years. These expressions do not include CEOs in attendance, and these comments are only a summary of the conversations.

- There appears to be an opportunity for the Chief Diversity Officer (CDO) to have a more active role at helping to set the strategic direction of the enterprise. Lattimer suggested that the CDO take the opportunity to do so, and be part of the organization’s short- and long-term planning process with the CEO executive team.
- There appears to be an opportunity for the CDO to ensure that new, expanded, non-assimilated thinking is being provided to the leadership of organizations. Lattimer suggested that the CDO provide candid thinking, be bold, present the

latest research, write position papers, and provide both information and thought leadership to the CEO leadership team, as it will strengthen the CDO's position within the organization.

- There appears to be an opportunity for the CDO to ensure that the leadership of the organization is not "tone deaf" regarding issues that may put the organization at risk, or that may position the organization to capitalize on opportunities that may drive material value. Lattimer suggested that the CDO provide clear and strategic leadership, advice, and counsel, even when it may be uncomfortable, as that's one of the reasons for the CDO being in a position of trust, confidence, and candor.

Diversity Measures

A common question among the leaders of large organizations in both the private and public sector is: "What is the most effective way to evaluate and measure the progress regarding diversity strategy, programs, and initiatives?" Lattimer commented that the Heldrich Center contains 21 measures to conduct such assessments.

A Conversation Regarding the Johnson & Johnson Credo, Corporate Culture, and Workforce Diversity: Bill Weldon and Robert L. Lattimer

The Credo and Corporate Culture

Lattimer opened the conversation by asking Weldon to describe the Johnson & Johnson credo and how it has set the corporate culture since its implementation by Robert Wood Johnson in 1943. He also asked about Johnson & Johnson's view of corporate culture and its results, particularly shareholder value. In response, Weldon described the meaning of the credo, Johnson & Johnson's company decision-making guidelines, which challenge the company to put the needs and well-being of the people it serves first. He explained it as the company's responsibility to providing doctors, nurses, patients, mothers, fathers, and all others who use Johnson & Johnson products and services with the highest quality to meet their needs. Also, he stressed the company's responsibility to employees throughout the world, and how they must consider them all individuals, respect their dignity, and recognize their merit in addition to giving them equal opportunity for employment, development, and advancement. Further, Johnson & Johnson has a responsibility to the communities in which employees live and work and to the world community as well, as they strive to be good citizens, support good works and charities, and bear their fair share of taxes. The final responsibility is to the shareholders; the business must make a sound profit, experiment with new ideas, and research must be carried on, innovative programs developed, and mistakes acknowledged and rectified.

Please click [here](#) to view the Johnson & Johnson credo.

With all of these demands, it is not easy to keep balance, and that creates an environment where it is ok to have debate and discussion. Johnson & Johnson gives about 4% of its net income to philanthropy and spends millions of dollars each year on research and development, even during difficult times. While some large and highly recognized corporations link their philanthropy to stock performance, that is not the Johnson & Johnson way. Weldon's belief is that instead of managing the stock price, the focus is put on managing the business and following the guidelines outlined in the credo. He remarked, "If you do the right thing, over time the business does well."

Even with this philosophy, Johnson & Johnson doesn't do everything right and mistakes are made. The credo helps with holding the company accountable for its mistakes. To further help enforce this, Johnson & Johnson conducts an anonymous employee credo survey each year and gives feedback to the companies. The companies that do well on the survey are the ones that respond to the feedback they gain from their employees. They talk about sustainability of changing and managing for the long term; the culture allows for sustainability even during difficult times.

Diversity Management

Weldon addressed diversity issues within Johnson & Johnson as in what diversity management means to Johnson & Johnson; how has it added value to operations, product development, new services, increased revenues, and profitability; what makes diversity management the "right thing to do," as well as what he would do differently in terms of diversity management and why. Weldon gave an overview of diversity management within Johnson & Johnson, stating it is not just about race and gender, but differences such as geography, the way people are raised, the way they think, and being comfortable with those differences. Embracing diversity means having a sustainable organization over time, knowing where the future is, and making sure to work hard toward that future. Diversity also means creating a place where people can be comfortable coming to work and being who they are, a comfortable environment for everyone. As an example, Weldon shared that a group of Lesbian, Gay, Bisexual, and Transgender employees approached him about hanging a sign on his door that stated it was ok to talk about these matters. He dismissed the idea because he wanted to promote an environment where people don't need a sign to feel comfortable.

Johnson & Johnson also has affinity groups, which help create awareness throughout the organization regarding differences and the value of diversity within the many businesses. Affinity groups are important to understanding how different people access health care and other products created by Johnson & Johnson and how they can accommodate needs while respecting differences. It took a long time to figure out what diversity is, and Johnson & Johnson is on a solid path to creating a better understanding of diversity and its value. There is still progress to be made in helping management to understand that affinity groups are not the same as social groups and that employees should have time to participate in them. Management also needs a better understanding of the importance of

sustainability over time and how to create an environment to increase its promotion within the organization.

Question-and-Answer Period

Forum attendees had a range of questions for Weldon that focused on persons with disabilities, mentoring, how to measure diversity program effectiveness, the criminal justice system, health risk management, and wellness.

Weldon spoke about what Johnson & Johnson does for persons with disabilities such as recruiting, starting an internship program, and launching its first affinity group for people with disabilities. Separate from Johnson & Johnson's programs and efforts, the government is looking to ensure compliance to make sure that people with disabilities are offered career opportunities. Within Johnson & Johnson, people can identify themselves as a person with a disability and therefore receive all the support and programming that the company offers.

Within the Johnson & Johnson mentorship and sponsorship programs, members of senior management act as sponsors to help ensure that talent is exposed to opportunities. Decision makers must be aware of qualified individuals before the opportunity arises, so that a selection can be made from a total pool from human resources. It is the company's purpose to make a conscious effort to identify high-potential individuals and to ensure that diversity is part of the pool of talent in advancement.

Measuring diversity progress is important to Johnson & Johnson, but also one of the hardest things to do. A scorecard made up of both financial and non-financial data is used to measure progress and ensure accountability. Promoting individuals is one of the most important things that the company does, but there are challenges to diversity with this as well. Issues like what is the makeup of the organization, what is the succession planning for people to be developed to the next level, good basic management, and defining and assessing of goals. The basic standard is to engage in sponsorship programming to allow the best talent to advance within the organization.

Johnson & Johnson has diversity and inclusion programs all over the world, and diversity is very different in other parts of the world. For example, issues in Asia deal with achieving diversity with women.

Weldon concluded his comments by speaking about wellness and prevention. The youth of today must get active, and adults must guide them toward eating well and exercising. Young people of today must be taught to understand that they have to take care of themselves. Everyone needs to work in this area, and if people start thinking and acting about wellness and prevention it will have a huge impact on health care costs. In closing, Weldon gave his thanks to Lattimer for the opportunity to be part of the Heldrich Center at Rutgers.

Keynote Address: Diversity Trends and Best Practices, Toni Riccardi, Senior Vice President of Human Resources and Chief Diversity Officer, The Conference Board

The Conference Board is a global nonprofit business organization that provides relevant and practical information businesses can use to better run their businesses and better serve society. The Conference Board provides economic analysis, for example, the consumer confidence index, research about management, public and private forums, and a platform for thought leadership worldwide.

Please click [here](#) to view Toni Riccardi's presentation.

A Panel Discussion: The Hispanic Consumer Market Moderator, Robert Montemayor, Director, Latino Information Network @Rutgers, and Pulitzer Prize Winning Journalist

The panel consisted of the following:

- **Esther Novak:** Founder/CEO of VanguardComm, a marketing firm serving major Fortune 500 companies, selected as one of New Jersey's 50 Best Women in Business by *NJBIZ*, and Professional Services Business Person of the Year by the Statewide Hispanic Chamber of Commerce of New Jersey. She currently serves on the board of directors of The Voice of Hispanic Marketing.
- **Ramon J. Pineda:** Senior Vice President/General Manager for Univision Television Group, and currently serves on the board of the Hispanic Federation, and on the American Hispanic Advertisers Association.
- **Ramona Blake:** Manager Diversity and Inclusion at PSEG, has a certificate in diversity management from the Cornell University ILR School.
- **Anthony P. Carter:** Vice President of Global Diversity and Inclusion and Chief Diversity Officer, Johnson & Johnson, reporting to the Chairman/CEO Johnson & Johnson, and is a member of the Johnson & Johnson Human Resources Executive Council, and a member of the Corporate Group Operating Committee.

In summary, New Jersey ranks seventh nationally in the Latino population with 1.6 million, or 18% of the total population. The New Jersey Latino population is projected to reach 2.2 million by 2020. Latinos' average median age is 10 years below or younger than whites and 37% of all Latinos are under the age of 18. Latino enrollments range between 18% in high school and 25% to 30% in K-4th grade. Latino home ownership is the inverse 38% versus 62% average 66% and 34%. Hispanic home share is projected to double to 29% by 2050. Asian home share is also projected to double. The Hispanic median household income is currently \$48,093, which is the highest in the United States, with the exception of whites, which is \$68,981.

The U.S. Latino consumer spending is doubling every 10 years. Currently, it is \$1.1 trillion, and is projected to be \$2 trillion by 2020. New Jersey is sixth in the nation with retail spending by Latinos. Of the \$200 billion market in New York, New Jersey, Connecticut, and Pennsylvania, there are currently 275,000 Latino-owned businesses in the four states.

Please click the presenter's name to view the available slide presentations: [Robert Montemayor](#), [Ramona Blake](#).

Next Steps

In Dr. Van Horn's closing comments, he assured the forum attendees that the work at the Heldrich Center will continue to study diversity issues, both in the workforce and in society.

About the Heldrich Center

The John J. Heldrich Center for Workforce Development, based at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, is a dynamic research and policy center devoted to strengthening the nation's workforce. It is one of the nation's leading university-based centers dedicated to helping America's workers and employers respond to a rapidly changing 21st Century economy.

The Center's motto — "Solutions at Work" — reflects its commitment to offering practical solutions, based on independent research, that benefit employers, workers, and job seekers. The Center's policy recommendations and programs serve a wide range of Americans at all skill levels.

Learn more about the Heldrich Center at <http://www.heldrich.rutgers.edu>.

