

GLOBAL DIVERSITY: MANAGING AND LEVERAGING DIVERSITY IN A GLOBAL WORKFORCE

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West is proud to announce the publication of the 2006–2007 edition of the *International Human Resources Guide*, with a new author, Roger Herod, and many new revised chapters and contributors. This article is derived from the global diversity chapter by Elizabeth D. MacGillivray and Deirdre Golden. For more information or to purchase the *Guide*, please visit the West store at <http://west.thomson.com>, or call us at 1-800-344-5009.

I. INTRODUCTION

Managing diversity has been challenging employers for decades, but in the past 20 years companies have begun to realize that differences in gender, race, ethnicity, sexual orientation, religion, age and other factors can be leveraged to the advantage of an organization, not just managed to avoid lawsuits. In fact, forty years after the civil rights movement led to the development of a complex

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framework of antidiscrimination legislation in the United States, leading companies have gone far beyond the nondiscrimination requirements mandated by law to try to leverage the differences among their employees to recruit and retain the top talent available regardless of difference. Recent attention to the economic benefits that can be derived from diversity has moved the discussion from companies taking a moral stance on diversity (doing it is “the right thing to do”) to a business case approach to the issue. The fact of ever-increasing diversity in the workforce, through immigration and demographic shifts, has made it a top priority of leading companies around the world.

The phenomenon of globalization has added another layer of complexity to workforce management, and has moved diversity to the forefront of issues faced by global as well as American and European companies. Whether managing multicultural teams, ensuring effective cross-cultural communications, developing and retaining a global cadre of leaders, or merely

trying to comply with myriad local workforce laws and regulations, human resources professionals are increasingly dealing with issues that fall under the heading of global diversity.

Global diversity is still a relatively new concept for most companies, but for multinationals, interest is rapidly growing. In a survey of about 100 diversity professionals in *Fortune* 500 companies by ORC in 2003, fewer than 10% cited global diversity as an area of interest or responsibility. A short two years later, a 2005 survey of the diversity professionals in the same companies revealed that almost 25% of those companies said global diversity was now a priority for them.

For some companies, turning diversity initiatives into global programs enhances the cache of the efforts. While local domestic diversity initiatives in the US can sometimes face resistance (sometimes referred to as “diversity fatigue”) because of perceptions that these initiatives are only for women and minorities, global programs can often get the attention of senior

leaders and a wider range of employees that understand the challenges of globalization.

Currently many companies with multinational operations have begun to consider diversity as a global initiative, have developed a global business case, and have extended some programs outside the US. They often have a dedicated global diversity staff that provides assistance worldwide. But while there is clearly increased focus on diversity outside the US, for many companies it is less apparent how to approach the challenge, and many organizations struggle with how to expand their ongoing domestic efforts outside the US.

Why global diversity?— The main drivers

There are many drivers for this trend, not least of which is the trend towards globalization that is affecting every aspect of business and human resources management. In addition, laws prohibiting discrimination and harassment were once considered a US phenomenon, but are now in place throughout Europe and many other parts of the world. In fact, prohibitions against sexual harassment are being implemented in Asian countries as women begin break into the workforce in larger numbers and, with higher levels of education than ever before, they are beginning to climb to higher levels within organizations. Accompanying the new antidiscrimination legislation, and possibly more important, is a growing awareness of rights of employees around the world. Similar to the effects of the civil rights and women's movements in the US, the growing awareness of rights is empowering many women and ethnic minorities in the workforce around the world, and increasing expectations

of equality and opportunity in the workplace. Simultaneously, non-governmental organizations (NGOs) are pressuring companies to do more for women, minorities, socially and economically disadvantaged groups, and people with disabilities, as part of corporate social responsibility efforts. And last, but certainly not least, the "business case" for global diversity is being driven by labor shortages and a global war for talent, global markets requiring multicultural awareness and understanding, and the productivity and innovation benefits derived from diverse teams.

II. GLOBAL DIVERSITY STRATEGY

The first principle of any diversity strategy, global or otherwise, should be that it is created in partnership with representatives of key stakeholders throughout the organization. The first step is to create partnerships by getting to know your management and HR partners at the global, business unit, functional, regional, and local levels.

Creating Key Partnerships:
Work with your partners to:

- Understand local values and figure out how those might intersect—or come into conflict with—those of other units or with the company's stated global values
- Learn about the political, economic, social, and legal environment in each country
- Identify the types of diversity that are significant in each location or unit (e.g., religious, ethnic, tribal, professional discipline—"any difference that makes a difference" in how employees see each other and work together)

- Articulate the motivations and concerns for stakeholders (customers, suppliers, employees, community, etc.) at each level
- Analyze organizational effectiveness in each location or unit through a diversity lens (i.e., what are we good at, what obstacles exist, and how might diversity issues contribute to the current state)

The second step in creating a global diversity strategy is to develop a corporate statement about respect, difference, and the shared goals and values of the organization. Terminology can be difficult, and an initial hurdle is often how to explain the concept and strategies in a way that translates outside the US. In a 2003 study of 10 *Fortune* 500 companies,¹ nine out of ten said that their experiences in discussing diversity or affirmative action with non-U.S. parts of the organization revealed the significantly different manner in which gender and especially race are viewed in other social cultures. One participant described it this way:

"When we were developing the first diversity strategy, we had a global meeting ... of what you would call champions and supporters from all different countries. Quite frankly, there was a reaction even within that group that diversity was something to do with [only] America.... The minute we started talking about inclusion, the conversation changed.... [I]t enabled them to focus. Inclusion is a word that resonates much more with the European experience."

Changing the message to one more palatable to non-U.S. employees, such as inclusion, can help bridge the cultural gap to some extent. However, for companies whose culture is still not truly global, their efforts to address U.S.-based affirmative action requirements and the issues of historically disadvantaged groups will continue to face resistance.

The business case

There is no underestimating the importance of articulating a real business case for diversity. However, there is not only *one* business case; rather, there are as many business cases as there are businesses, business units, functions, locations, and constituencies within them. But there will be some universal goals and values that can be gleaned from listening to stakeholders that will resonate globally. The most compelling business case will respond to the concerns of all stakeholders by demonstrating how a diversity-friendly culture will contribute to attaining individual and corporate goals worldwide.

Mid-level management is often where diversity initiatives are made or broken, so it is key to consider middle managers when coming up with a business case for global diversity. A global business case needs to be translated from big picture terms so that it demonstrates the value in each manager's world.

Structure of the global diversity organization

The next step is to create a global diversity structure, and there are many ways to do this. One key aspect of any structure is to empower local organizations as well as line employees, while also providing some sort of centralized support and monitoring.

Structure of the Global Diversity Organization: Every global diversity structure should:

- Give ownership of the initiative to line people at all levels of the organization
- Involve senior leadership
- Delegate responsibility and authority to the local level while simultaneously driving corporate-wide initiatives
- Provide channels through which to coordinate activities and share lessons learned globally (such as reporting mechanisms, in-person and virtual meetings, knowledge management tools and practices)
- Build in some kind of central review system to ensure that attention remains focused on global diversity (e.g., periodic progress reports to senior leaders by each business unit or region)
- Address how corporate-wide and local activities will be funded, including whether and under what circumstances affinity groups will be funded

A note about "compliance" and "diversity". As in the US, where the "compliance" aspect of diversity often refers to compliance with EEO and affirmative action regulations, global diversity often includes a compliance aspect as well. In the global context, compliance responsibilities may include ensuring that a company abides by local equality laws and hiring requirements (e.g., quotas for hiring people with disabilities). It can also include related responsibilities for internal audits and for handling activities involving outside parties such as NGOs. "Diversity", on the other hand, is an

expanded and more inclusive concept of who and what is valuable in an organization and enhances performance. Often referred in shorthand as "any difference that makes a difference", diversity refers to all attributes of difference including race, gender, nationality, religion, age, class, physical disability, and sexual orientation as well as difference of experience, thought, education, geography and language.

The compliance aspect of global diversity is often a distinct function, even if handled by the same individual. Typically compliance objectives and goals are different from diversity goals, and some companies structure the diversity function to reflect this. In others, however, the global diversity and compliance functions are combined.

Because a successful global diversity program requires that local partners are accessible, the structure set up should provide access to these partners. There are a number of different models for doing this. Some companies have dedicated diversity professionals at various levels in the organization. Some rely on virtual teams that bring expertise from various parts of the organization to work together on diversity-related tasks. For example, diversity communications might be handled by a global diversity communications team consisting of representatives from public relations, marketing, employee communications, and staffing, augmented by local teams of a similar make up. Other companies work through diversity councils at the global, regional, local, and/or business unit levels. Others rely on teams of volunteers facilitated by diversity or HR professionals.

Key attributes of the global diversity structure.

- Ownership of the initiative by line people at all levels of the organization
- Involvement of senior leadership
- Delegation of responsibility and authority to the local level while simultaneously driving corporate-wide initiatives
- Channels through which to coordinate activities and share lessons learned globally (e.g., reporting mechanisms, in-person and virtual meetings, knowledge management tools and practices)
- Some type of central review system to ensure that attention remains focused on diversity (e.g., periodic progress reports to top management by each business unit or region)
- Definition of how global and local activities will be funded, including whether and under what circumstances employee networks will be subsidized

What diversity means around the world

What diversity means in the US is not quite a universal concept. While in the US and UK, the term diversity is often meant to refer to workforce representation and compliance with equal opportunity and compliance with relevant laws, this approach means that diversity is viewed in terms of the rights of minority groups, for example the rights of women, disabled people, or those that have suffered some kind of discrimination. Consequently, many people might think that if they do not belong to one of these groups, diversity is not relevant to

them. In light of this fact, more companies are using the term “inclusion” in addition to, or sometimes instead of, diversity.

In continental Europe, where it is not the custom or practice to identify and measure ethnicity in the workforce, and in fact the practice is outlawed in some countries, the term diversity tends to focus predominantly on gender issues. However, recent EU legislation has addressed other categories, specifically age, disability, religion and belief, race and ethnic origin, and sexual orientation.

There are also differences between developed and developing nations: developed countries tend to perceive fundamental rights as civil and political rights such as freedom of speech and religion and freedom from discrimination, and believe them to be of primary importance. In developing nations, however, economic and social rights, such as food, shelter and education, are often higher priorities.

Consequently, a key challenge for any organization is to develop a common understanding of diversity, and how it applies at the local level. This process is critical and may well be time consuming. However, once it is achieved, through research and dialogue with employees in local areas, goals can be set that match local needs and that fit in to the overall organization framework of values that the organization has defined. For example in some locations, increasing the number of women in management might be the main goal, while in others, the objective might be to increase opportunities of people from lower castes, or to address a bullying problem. Other key steps include communicating the organization’s approach to diversity across the organization and ensuring that it is reinforced repeatedly at all levels.

Goals for global diversity

Corporate-wide, business unit, and local diversity goals will be based on what you and your partners have learned about:

- What strengths does the company already have—in the marketplace, in its management practices, in its workforce profile—that could be further capitalized on?
- Which groups seem to be excluded or lack full access to opportunity?
- What barriers to full contribution by all employees have been identified?
- Around which issues is there enthusiasm for change among employees?
- Where can you have an immediate impact?

Implementing the strategy

Depending on the changes that need to be made in order to achieve the goals set, an action plan can be created to implement the strategy devised. There are different levels to consider: individual behavior or what individual employees do, intentionally or unintentionally, that would help the organization reach its goals or that might interfere with reaching those goals. Training is the most often employed vehicle for encouraging desirable behaviors, but best practice companies also use performance management, rewards and recognition, career development, and mentoring. Beyond the individual level, it is critical in global organizations to ensure that multicultural work teams be made as effective as possible. This might entail process redesign, or individuals on a team might need to develop skills in ar-

eas such as conflict management, cross-cultural communications, listening, and processing complex information. A further level of implementation requires manager involvement and support. Many companies require managers to meet diversity goals. While top global companies provide enough flexibility in the goal setting process to permit each manager to decide what is important and achievable in his or her situation or region, there also must be some kind of oversight and accountability for those decisions.

Metrics

Good global diversity metrics are measurements that drive the right actions towards accomplishing goals. Even in a complex global organization, a few well-aimed measures are more effective than too many, but each company's traditions and culture will dictate its appetite for data. Scorecards are widely used in best practice companies. If processes and programs are effective, diversity will be well represented in the workforce and employees and other stakeholders of all stripes will have positive experiences. But not until all of these elements are present and are successful in achieving the organization's strategic goals, can the diversity initiative be deemed truly successful. But intermediate goals can and should be celebrated. There is no end to a diversity initiative, so setting new goals and challenges will be a continuing exercise in global organizations.

Examples of metrics

- Representation
- Percent of workforce by gender, nationality, ethnicity, etc.

- Turnover, promotions, hires by gender, nationality, ethnicity, etc.
- Diversity in senior management
- Stakeholder satisfaction
- Employee survey scores, exit interview responses, and other assessments of
 - perceptions of the work environment
- Customer satisfaction, broken down by demographic segments
- Shareholder resolutions, or lack thereof, regarding diversity
- Numbers of complaints or legal actions
- Strategic goals achieved
- Evidence of increased innovation
- Sales in diverse market segments or in new markets
- Success rate of mergers or strategic partnerships

A word of caution about using workforce representation metrics: while tracking representation of women and minorities is one of the most common metrics used in US diversity and EEO efforts, using this type of measurement may not be permitted in many other parts of the world, particularly in countries in Europe where strict data privacy laws are in place, or in countries where employers cannot lawfully collect data on the race or ethnicity of employees (like Germany). Although in other respects diversity efforts globally can appear to have similar goals (i.e., to increase the diversity of managers, senior leaders, etc.), the inability of companies to collect data on its employees

around the world can prove frustrating for American human resources professionals used to having detailed demographic data on the workforce.

Staffing

Beyond basic issues of terminology, the implementation of global programs can be challenging when attempted from afar. Although few companies have diversity staff around the world, the trend among best practice companies seems to indicate that to "think globally, act locally" requires personnel in each region or country dedicated to diversity and accountable for their results.

Global diversity competencies

Developing global diversity competencies is a new trend in many leading companies. Leaders are trained and evaluated on their performance on their efforts and achievements in this area. These competencies not only relate to creating an inclusive multicultural environment, but also to developing non-headquarter leaders. Some companies bring host country "high potential" staff members to the US for training and development opportunities, so that they can assume senior leadership positions globally.

Diversity councils and affinity groups

Just as diversity councils are utilized in the US, global councils can be useful in ensuring that non-US viewpoints are represented, and that the message and business case will translate in other parts of the world. One challenge for companies is that often diversity programs are viewed as US exports with little or no relevance to non-US operations. A strong global diversity council on which most non-US (or non-headquarters) na-

ationalities are represented can help to address this. One approach used by a firm with a new diversity program was to launch the program outside the US. Knowing that they wanted a truly global initiative, they decided to launch the program in Europe, and began by establishing diversity councils in Ireland, followed by other European countries, then moving to Asia and the United States.

Affinity groups (also known as employee resource groups) can also be a very useful resource for global employers. Affinity groups are voluntary, employee-driven groups that are organized around a particular shared interest or dimension of diversity. In most companies, these groups have been initiated by employees and usually focus on a shared interest or characteristic such as race, ethnicity, gender, or sexual orientation. Typically, the main purpose of the groups is to strengthen the linkage to and within diverse communities. These types of groups can be of significant assistance to companies in recruitment and retention, employee development and mentoring opportunities, and encouraging senior management involvement in diversity. Best practice companies often have affinity groups outside the US, as well as domestically, usually because their American affinity groups are so well organized and effective that word of their accomplishments has spread outside the country. Companies will provide sponsorship, support, information and other resources for these groups, and in turn they provide valuable connections to a variety of constituency groups that may have varying needs around the world.

Affinity groups are a very new concept outside the US, however. A 2006 survey by ORC of 25 major multinationals in ORC's Glo-

bal Diversity Forum uncovered very few companies that have such employee resource groups in place outside the US, and those that do say they are much newer and smaller than their American counterparts. Global affinity groups cited in the 2006 ORC survey include groups for women, people with disabilities, and GLBT (gay, lesbian, transgender, and bisexual) employees.

Events

Having a global diversity conference, or worldwide women's event, is the way that many companies have started moving their diversity programs into the global arena. Some companies hold these events annually, and others hold them as a way to launch their global programs, but then sponsor local events more regularly. Either approach can be an effective way to signal that diversity is not only for American employees, but is something for the entire workforce worldwide.

Two approaches

For companies starting out in global diversity, there are two possible approaches to take, which will depend on the organization's structure and culture. One approach is a multi-country approach, where programs and initiatives are developed and implemented by people in various locales. This model is typically used by very decentralized companies, and can be beneficial because local leaders take ownership of the initiatives. And these leaders and councils tend to have detailed local knowledge of customs, laws and cultural issues that need to be addressed. Local commitment tends to be higher using this approach. On the downside, however, the lack of overarching corporate guidance can mean in-

consistent levels of work across regions. And typically companies using this model do not have dedicated global diversity staff, but rather personnel that are working on diversity in their spare time.

A second approach to global diversity that is more appropriate for more centralized organizations is a top-down approach where diversity is hard-wired into all business units from the corporate level. Companies using this approach can ensure consistency in message and offer assistance with development and implementation of programs. However, care must be taken to ensure that local commitment is developed and that programs are not viewed as "US imports."

Good-better-best practices

Currently many companies with multinational operations have begun to consider diversity as a global initiative, have developed a global business case, and have extended some programs outside the US. They often have a dedicated global diversity staff that provides assistance worldwide. But while there is clearly increased focus on diversity outside the US, for many companies it is less apparent how to approach the challenge, and many organizations struggle with how to expand their ongoing domestic efforts outside the US.

More advanced companies have taken the further steps of translating their diversity definition so that it resonates locally, and have diversity staff outside the US. These companies have a global diversity council, and host global diversity conferences and events in which staff from various countries regions come together. Often diversity and inclusion issues are integrated into external reports on social responsibility issues.

GLOBAL DIVERSITY PRACTICES

GOOD	BETTER	BEST
<ul style="list-style-type: none"> ■ Diversity initiatives and programs in effect outside the U.S. ■ Diversity resources accessible to non-U.S. businesses ■ Dedicated global diversity staff ■ Global business case 	<ul style="list-style-type: none"> ■ Diversity definition translated for use locally ■ Diversity staff outside the U.S. ■ Global diversity council ■ Business case tailored for each region ■ Company-hosted global conferences and events ■ Diversity and inclusion issues integrated into external reporting on Corporate Social Responsibility 	<ul style="list-style-type: none"> ■ Diversity programs adapted for each region ■ Diversity officer in each country or region ■ Diversity council in each country or region ■ Top leadership support in each country or region ■ Affinity groups outside the U.S. ■ Global diversity competencies defined ■ Web sites accessible to employees around the world ■ Company-hosted regional conferences and events ■ U.S. policy is improved by learning from global initiatives

Best practice companies take global diversity to the local level and adapt programs and policies for each region or country. Additionally, the business case is tailored to and translated for each region, and there is a dedicated diversity officer and council in each region. Senior leaders in each country or region are also outwardly supportive of the initiatives, as global diversity competencies are defined for managers. These companies may also sponsor affinity groups outside the US, as well as regional or country-specific

conferences. Finally, best practice companies in global diversity realize that they can improve their US policies and practices by benchmarking with and learning from global initiatives.

III. CASE STUDY: SOUTH AFRICA

More than ten years after the end of apartheid, South Africa has made enormous progress toward racial and ethnic integration, but workforce diversity remains a challenge for South African business. Despite impressive strides

made through affirmative action, which has been in place since 1994, whites still hold most of the best jobs in the private sector and own most of the assets—as of 2004, 80% of the country’s farmland and more than 65% of the equity on the Johannesburg Securities Exchange (JSE) were owned by whites (blacks own less than 5%). In 2004, the top 40 companies listed on the JSE had in aggregate 601 directors, only 91 of them black. But, since most of these companies have the majority or at least a significant portion of their assets, sales, and income streams emanating from their South African operations, the fact that these companies have so few black directors is troubling (2001 census data from South Africa shows that blacks made up 76.7% of South Africa’s population).

There is a very strong business case for improving representation in senior leadership in South African business, particularly because most of these companies do not compete on a global scale, and therefore are reliant upon the business they do in and around South Africa for survival. And many companies are neglecting to do business at home, which means they are neglecting the black economic power in their backyards. When South Africa’s black economic power reaches the boardroom, these companies—which have a vested interest in their country’s success – will be more assured of their place in the future.

The lack of diversity is not only a problem in the boardroom; discrimination still exists at much lower levels in the workplace as well. To address the slow movement toward integration in the workplace, more than 30 major companies in 2003 signed up to a

charter of diversity, and signed a pledge to fight racial discrimination in hiring practices and to boost ethnic minorities. The initiative has government support, with the Employment Ministry suggesting diversity of recruitment might have to be imposed if voluntary measures did not show progress in a couple of years.

South Africa's financial sector released a charter in 2003 detailing goals it set in an effort to improve the skills, position, and representation of blacks in the industry by 2008. The charter was drafted in response to efforts by the South African parliament to broaden the Black Economic Empowerment Bill, and was negotiated by ten industry associations. The 2008 goals set by the charter aim for blacks to occupy:

- 33% of board-level positions
- 25% of executive-level positions
- 40%–50% of junior-level positions

Additionally, the charter calls for at least 25% of firms in the financial sector to be black-owned.

Not just a black and white issue: The Indian community in multicultural South Africa

South Africa's diversity not only includes black and white communities but also more than 1.2 million people of Indian descent living in the country. In the 19th and early 20th centuries, nearly a million Indians were transported to the British colonial outposts of Fiji, Mauritius, South Africa, Malaysia, and the West Indies to work on sugarcane plantations. Many South African Indians have now established themselves as successful businessmen, traders, and professionals. While there is a solid Indi-

an middle class in South Africa, there are also thousands in the community living in poverty.

But the economic success, advancements in education, and strong cultural beliefs of South Africa's Indians at times bring them into conflict with the majority black Africans, some of whom believe the Indian progress happened at the expense of natives. According to sociologist Ashwin Desai, "Africans find Indians very exclusive, inward looking people. There is a general sense that Indians benefited from apartheid. So, the tensions, wounds, and divisions run deep even 10 years after the demise of apartheid." Over the past decade the tensions have surfaced numerous times, for example in 2002 when South African playwright and composer Mbongeni Ngema wrote a song called "Amandiya", which asked Africans to rise against the Indian community.

However, there are historians who point to the contribution of the Indian community in the anti-apartheid struggle. Even before the ANC was formed, Mahatma Gandhi was in the forefront opposing the unjust laws of the white regime between 1893 and 1914. After Gandhi, the Indian Congress parties formed an alliance with the African parties in fighting apartheid.

The advent of democracy followed by a policy of affirmative action for black Africans has increased the perception that Indian South Africans have been left out in the new South Africa. As a result of the belief that Indians are generally well off economically, there is pressure for Indian businessman to collaborate more with fledgling African businessmen.

Other workplace challenges—Infrastructure lags, so companies turn to flextime

The vast political, social, and economic changes in South Africa over the last ten years have also given rise to a number of other workplace challenges. The policy of affirmative action has led to a gradual increase in the number of previously disadvantaged individuals in positions formerly held mainly by whites in offices, shops, and factories. It has also meant a greater concentration of people of color in economically active commercial and industrial areas which few of them had access to in the past. This phenomenon has rapidly given rise to a new class of employees, actively participating in the commercial sector of the economy, but still constrained by the geographic dictates of the past.

But one result of this is a new geographical separation of workers and workplaces. Workers now have to travel long distances to the suburban office parks where they are employed. The catch is that only a handful of these previously disadvantaged individuals have joined the ranks of the wealthy, enabling them to relocate to the more affluent suburbs or to acquire their own cars or other transportation. As a result, a number of companies are adopting flextime policies to accommodate employees who sometimes have trouble getting to work during designated "working hours".

Other workplace challenges—Public health crisis: HIV/AIDS

The HIV/AIDS epidemic will be a major threat to South Africa's economic viability in the next decades. The disease has already reduced life expectancy from 63 years in 1990 to only 47 years in 2004. Within the next ten years

more than 5 million South Africans will die of AIDS and leave behind some 2 million orphans. The United Nations International Labor Organization (ILO) and many global public health organizations have called on employers to take an active role in addressing the coming crisis.

Employers are being urged by numerous international organizations to undertake workplace initiatives that improve employee understanding of HIV/AIDS and increase access to tools for prevention and treatment. One company being hailed as a leader in addressing HIV/AIDS is IBM, which recently revamped its HIV/AIDS policy and program at its South African subsidiary. Hoping to avert 42 percent of its HIV/AIDS expenses over a ten-year period, IBM has implemented an education and treatment program that includes the following:

- Education through self-service interactive software
- Voluntary counseling and testing
- Access to anti-retroviral drugs
- Condom distribution
- Treatment of sexually transmitted diseases

According to a report by SHRM, the cost of IBM's pro-

gram was approximately \$40 per employee in 2003. Since the launch of the program, annual HIV/AIDS-related absenteeism for HIV-positive employees has dropped from approximately 25 days to three days. In addition, the ILO has developed a Code of Practice that provides a blueprint for determining which practices are most appropriate.

Other workplace challenges—Still a divided society

It appears that race issues remain in society at large as well as in the workplaces of South Africa. A survey by the Institute for Justice and Reconciliation found that more than a third of South Africans have no cross-racial contact during an average weekday, that more than half the population never socialize with people from other race groups, and 60 percent say they have trouble understanding other races. There has been an increase in whites' distrust of other race groups, and while just under half have come to terms with racially mixed suburbs, the majority disapproves of mixed marriages.

Affirmative action has been identified as one possible reason for hostile racial attitudes among whites. In addition, the development of facilities like shopping centers in black township areas means blacks living there no longer go out for everyday activities,

reducing their opportunity for cross-racial contact.

Other workplace challenges—Integrated schools may be the key

One positive trend in the country is the growing acceptance of integrated schools. Two-thirds of the South African population support contact between children of different races at school, and the pivotal role of schools may help promote a change in attitudes during the next ten years.

CONCLUSION

Employers with operations and interests in South Africa will no doubt continue to feel pressure from political and civil rights groups to address the racial disparities in the workplace through greater voluntary efforts, while the society continues to evolve in the next decade. In addition, corporate global diversity efforts should consider the complex social and political factors at work in South Africa in order to meet the needs and goals of the organization more effectively.



NOTES

1. 2003 study by Janine N. Matton and Christine M. Hernandez of Columbia University Law School of diversity initiatives among 10 leading members of ORC's Workforce Opportunity Network.