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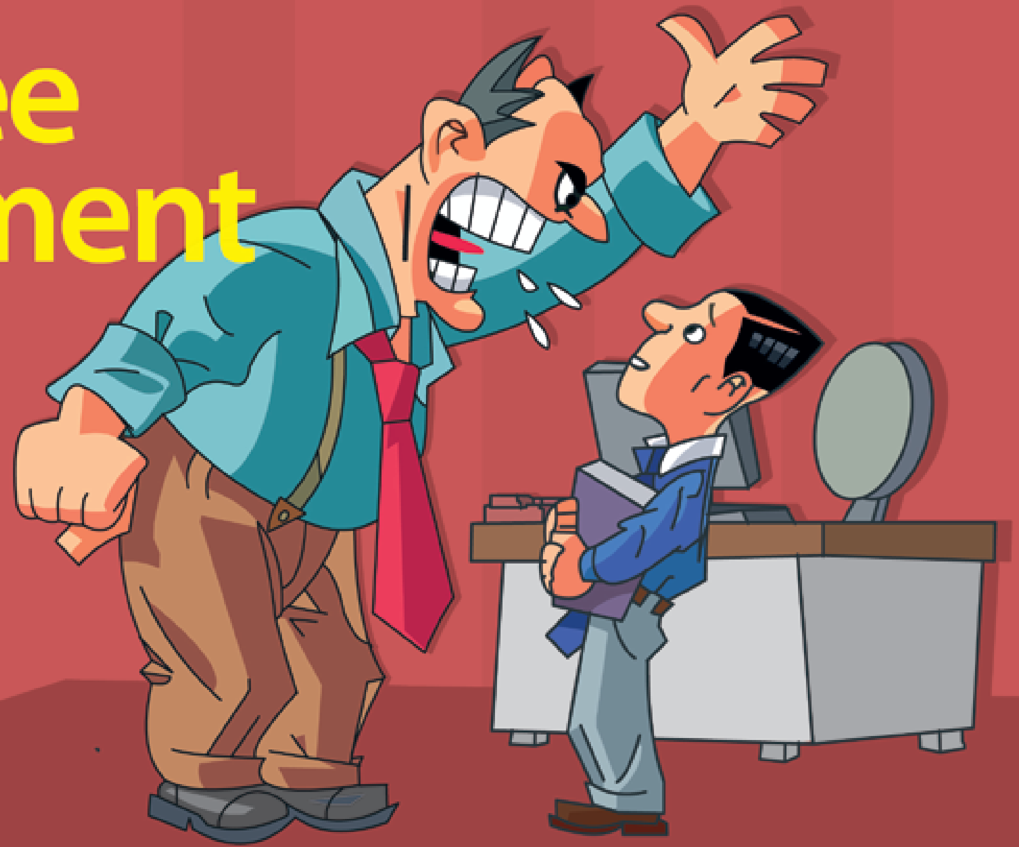

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CONTENTS

DiversityGlobal Magazine
Q4 | 2012
Volume 1 | Number 3

28

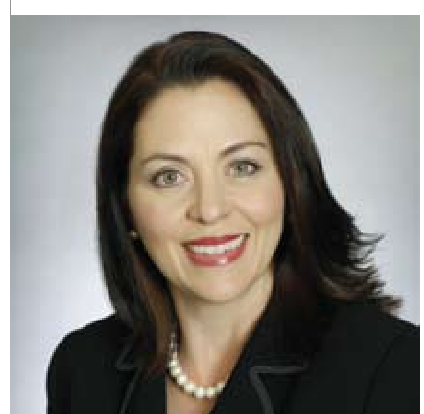
38

42

46

50

54



56

61

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DiversityGlobal Magazine's mission is to generate conversation in Thought Leadership among thinkers, CEOs, managers, and entrepreneurs about the coming sea changes in global corporate diversity that will transform how people innovate and lead. DiversityGlobal captures the creativity, excitement and opportunity created by rapid societal, economic and technological change and brings it home to thoughtful managers.

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US Supreme Court Decision on Healthcare Bill Good for Everyone

The debate rages on: Did the U.S. Supreme Court make the right decision on June 28, 2012 when it upheld a majority of the provisions of the Patient Protection and Affordable Care Act? The ultimate goal of the Act is to ensure all Americans have equal access to affordable health insurance. Some people firmly believe the court made an excellent decision, while others just as firmly believe it was more of a political one. So the debate continues. However, one thing everyone seems to agree on is that the U.S. healthcare system is broken for millions of people and businesses, including small minority owned enterprises.

The federal government has a duty to protect the general welfare of all of its citizens. For too many people, access to health insurance is dependent on the size of the business they work for and where they live. Large corporations offering employees health insurance get the best insurance rates and usually can afford to pay a large percentage of the premiums. The small business enterprises (SBEs) are basically left out in the cold.

According to the U.S. 2007 Census, there are 5.8 million minority owned businesses employing 5 percent of the workforce. Most of these businesses are small. However, the federal government reports that small businesses pay approximately 18 percent more than a large business for a similar health insurance policy. Small business owners struggle to offer affordable healthcare plans to employees, or employees must pay such a large percentage of the cost that premiums become unaffordable. Since most minority and women owned businesses are small, the Supreme Court ruling is an enormous victory for them because it levels the playing field when it comes to providing employees health insurance.

The Act allows small businesses with up to 25 employees, paying average annual wages under $50,000, and covering 50 percent or more of the premium cost, a small business tax credit of up to 35 percent now and up to 50 percent starting in 2014. Also in 2014, qualifying small businesses with less than 100 employees and unable to negotiate affordable health insurance policies will be able to shop for insurance at an Affordable Insurance Exchange. This will improve competitiveness for small businesses by eliminating the disadvantage they currently face trying to lure top skilled talent to their smaller businesses because they are unable to offer quality health benefits.

In addition, the Affordable Care Act prohibits insurance companies from acts that have traditionally driven up the cost of health insurance for small businesses. The insurance companies are no longer allowed to charge higher premiums just because a business has fewer people enrolled, nor are they allowed to limit benefits or deny coverage beginning in 2014. In addition, the Act requires insurance plans to cover preventative health care services, and that means small businesses can expect to have a healthier workforce, which can increase productivity while lowering benefit costs. The net effect is that the Act increases the quality of health insurance for the employees of small businesses.

The Affordable Care Act has a number of benefits for minority small businesses, but it is a law for all Americans. Since the law finally brings health insurance costs under control, businesses can use the money that was spent on exorbitant health insurance premiums to expand their businesses, which will create jobs. Given the fact that the economy is having trouble maintaining even a tepid recovery from the recession, the Affordable Care Act must be welcomed as a job creator.

The many benefits the law brings to small businesses, often called the economic engine, will help minority businesses have a better chance of gaining equal footing with large businesses in certain areas like workforce health, healthcare costs, and employee recruitment and retention. In our opinion, there is simply nothing left to debate concerning the merits of the Affordable Care Act. It is time to stop looking back and to move forward. There is too much at stake to do otherwise.

COALITION FUNDING BOOST FOR CANADIAN VETERAN WELFARE INITIATIVES

Twenty three organizations in Victoria, British Columbia will share in grants worth more than $447,000 to deliver projects and initiatives that enhance the wellbeing of Victoria's veterans and their dependants.

Minister for Veterans' Affairs Hugh Delahunty joined Chairman of the Victorian Veterans Council Major General Peter Haddad, to announce 32 individual projects that will be delivered by 23 organizations from the 2012/2013 Veterans Council – ANZAC Day Proceeds Fund.

"Our veterans have sacrificed so much for us, so this initiative is about giving something back," Mr Delahunty said.

"The projects being funded are largely directed towards providing practical assistance for veterans and their dependants, such as transport, accommodation and daily living expenses."

Over $215,000 of the funding will go to organizations such as the RSL, Legacy, Vietnam Veterans, Carry On and the RAAF Association to provide assistance to veterans and their dependants with emergencies such as medical and household expenses.

WORLD BANK PRESIDENT CALLS FOR "SOLUTIONS BANK" TO MEET GLOBAL CHALLENGES


Jim Yong Kim,
President, World Bank Group

World Bank Group President Jim Yong Kim told the Bank's shareholders he wants the institution to become a "solutions bank" that can work with partners and help "bend the arc of history" to eliminate extreme poverty.

"Let me be clear: When I say we will be a solutions bank, I do not mean to suggest that we have ready-made solutions for every development problem. We do not, nor is this our goal," said Kim. "Through decades of development work I've learned that the best solutions to economic and social problems often lie with the individuals and communities coping with these challenges in their daily life. They have been my greatest teachers. We must listen to and act on their insights."

Speaking to the Boards of Governors of the World Bank Group and International Monetary Fund at the Bank/Fund Annual Meetings in Tokyo, Kim noted that knowledge now flows "from entrepreneurs in Delhi to citizens in rural Mexico to civil society in Lagos to policymakers in Sarajevo. " With the World Bank's global reach, Kim stated that the Bank is ideally positioned to connect and convene multiple stakeholders from around the world, brokering knowledge exchange across institutional boundaries.

INDONESIA SHOULD IMPROVE GOVERNANCE, PRODUCTIVITY AND TAX COLLECTION TO PROMOTE INCLUSIVE GROWTH

Angel Gurría,
OECD Secretary-General

Indonesia has improved its macroeconomic and structural policies over the last 15 years. Its economy, with strong and stable growth rates of 5–6.6 percent, is catching up with other countries in the region and allowing Indonesia to focus on its development agenda.

To reach its objective of becoming one of the world's ten largest economies by 2025, the government's next step must be to move ahead with reforms that will take full advantage of this progress and unlock the country's full potential, according to the Organization for Economic Co-operation and Development's (OECD) 2012 Economic Survey: Indonesia.

"Indonesia has made substantial economic, institutional and social progress. It has weathered the economic crisis quite well and poverty has come down markedly," said OECD Secretary-General Angel Gurría. "The government's challenge now is to boost productivity, reduce energy subsidies and raise tax collection to finance key infrastructure, social and environmental programs. Investing in an effective social safety net and improving education and skills will make higher living standards accessible to all and ensure that future growth will be inclusive and sustainable."

MIDDLE EAST AND NORTH AFRICA: BOOSTING SUPPORT FOR WOMEN'S ENTREPRENEURSHIP WILL PAY OFF IN JOBS AND GROWTH

Governments in the Middle East and North Africa (MENA) should create urgently needed jobs for the 2.5 million people entering the labor market each year and improve their policies to encourage women's entrepreneurship in order to reduce structural unemployment, says a new OECD report.

Women in Business: Policies to Support Women's Entrepreneurship Development in the MENA Region notes that while MENA governments have made progress over the past decade in closing the gender gap in education, more needs to be done to tackle gender inequality in business. Today, only 27 percent of women in the region join the labor force, compared to 51 percent in other low, middle and high-income economies, and only 11 percent are self-employed, in contrast to 22 percent of men.

"While MENA governments have made significant progress in addressing gender inequality in education, more needs to be done to unleash the full potential of women in the economy. Empowering women to contribute as employees and entrepreneurs in particular represents a major opportunity to boost competitiveness, growth and job creation in the region. This will require concerted policy action which the OECD stands ready to support," said OECD Secretary-General Angel Gurría.

A NEUTRAL FISCAL STANCE TO SUPPORT STABILITY IN THE NORWEGIAN ECONOMY

Sigbjørn Johnsen,
Minister of Finance

Despite the challenging global economic environment, the Norwegian economy continues to perform well, and capacity utilization is now higher than predicted at the presentation of the Revised National Budget in May 2012. Low interest rates, high income growth and high oil prices have fuelled the economy, says Minister of Finance Sigbjørn Johnsen.

However, economic slowdown in Europe, as well as high wage costs and a strong krone exchange rate, has increased the pressure on industries facing international competition. In this situation, the government emphasizes the need for fiscal constraint to support continued balanced developments of the economy and to reduce the pressure on exposed industries, said. Measured by its overall impact on Mainland GDP, the 2013 budget implies an approximately neutral fiscal stance.

Developments of the Norwegian economy stand in stark contrast to the developments of many of the trading partners. Growth in the Norwegian economy is expected to continue ahead, albeit at a somewhat slower pace. Mainland European GDP is forecast at 3.7 percent in 2012 and 2.9 percent in 2013. The labor market remains strong, with higher than expected employment growth and continued low unemployment at a rate of just over 3 percent.

LARGE DANISH HEALTH IT DELEGATION EXPLORING CHINA

Sometime in the near future, the first Danish health IT delegation to China will take off. It will give Danish companies, universities and hospitals the opportunity to play a part in the development of future health IT solutions in China.

China is facing great challenges within health care and is increasingly looking for innovative long term and efficient solutions within health IT, especially in such areas as telemedicine, mobile technology and data management. Health care is central to the present 12th Five-Year Plan, and China aims to increase the number of public hospitals in China by 5,000 over the next 30 years.

Denmark is a pioneer when it comes to welfare technology and the use of IT within the healthcare sector. The delegation to China is meant to ensure that Danish health IT companies and institutions can play a part in the challenges China face within this area.

ECA, AFDB TO COLLABORATE ON YOUTH EMPLOYMENT AND OTHER PROJECTS IN SOUTHERN AFRICA

The United Nations Economic Commission for Africa Southern Africa Office (ECA) held talks with the Africa Development Bank, Zambia Country Office (AFDB) to discuss increased collaboration and a harmonized approach to policy and project implementation between the two offices.

ECA, Southern Africa Director Ms. Beatrice Kiraso said that Zambia and the sub-region stands to benefit if the two organizations combine their expertise and resources to undertake joint projects aimed at socio-economic development. "A harmonized approach through joint collaboration on common projects will have a significant impact on our efforts to support Zambia and other member States to meet their development goals," she said.

She added that, although the two institutions have a very strong partnership at a continental level, including running a joint secretariat of the African Economic Community with the African Union Commission, there was need for a systematic interaction at national and regional level to counter the fragmented and ad-hoc approach to collaboration.

BDC SPEARHEADS GLOBAL EFFORTS TO ADDRESS CHALLENGES OF MICRO, SMALL AND MEDIUM-SIZED BUSINESSES

Jean-René Halde,
President and CEO at BDC.

The Montreal Group, a global forum of state-supported financial development institutions spearheaded by the Business Development Bank of Canada (BDC), recently gathered for its first General Assembly and Board of Directors meeting. The forum was established to encourage an exchange of ideas and best practices with the aim of assisting micro, small and medium-sized enterprises (MSME) with their business challenges. MSMEs represent a significant part of the economic activity of all nations.

During the initial start-up phase, The Montreal Group will set up an online repository of practices to facilitate the exchange of expertise on key subject matters, such as intangible asset finance, debt guarantees and key performance indicators. The Group's first working session ran from September 27-28, 2012.

"Entrepreneurs face many challenges in increasingly globalized national economies, which call for new strategies and models of collaboration," said Jean-René Halde, President and CEO at BDC.

PRUDENTIAL FINANCIAL NAMES MICHELE C. MEYER-SHIPP VICE PRESIDENT AND CHIEF DIVERSITY OFFICER

Prudential Financial (NYSE: PRU) has named Michele C. Meyer-Shipp Vice President and Chief Diversity Officer. In this role, she will be responsible for leading and directing all diversity and inclusion initiatives for the company, and for ensuring ongoing compliance with federal and state equal employment opportunity/affirmative action laws and requirements.

"Prudential has a proud heritage of embracing diversity and inclusion as a key part of our business strategy," said Sharon Taylor, senior vice president, Human Resources. "Advancing our work in this important area requires strong leadership, and Michele is ideally suited for this role. She has a unique blend of experience in the diversity and inclusion and EEO/affirmative action space, as well as a recognized passion for this work."

Meyer-Shipp joined Prudential in April 2010 as vice president and counsel in the Employment and Labor Law Group. In this role, she provided legal advice, counsel, training and investigative support to several lines of business on a variety of employment and human resources related matters.

Prior to joining Prudential, Meyer-Shipp served as General Counsel of the Waterfront Commission of New York Harbor, an Instrumentality of the States of New York and New Jersey. Previously, Meyer-Shipp spent four years at Merrill Lynch. In her last role, she led the diversity and inclusion efforts of the Global Wealth Management business.

Valuing diversity…
it helps us complete our job.

IMPROVING EMPLOYEE ENGAGEMENT

- By Joseph Warren

EE MENT WITH REWARDS PROGRAMS

REWARDS PROGRAMS OFFER A CHANCE TO BUILD LOYALTY, PRODUCTIVITY, AND POSITIVE WORK CULTURE

How your employees feel about their job and your firm has a direct impact on your bottom line. While it may be easy to dismiss employee feelings as unmanageable intangibles, the fact is that firms can influence employee responses to the workplace using strategic rewards programs.

It's not simply a matter of throwing money or perks at surly workers. Employees of all backgrounds need to be encouraged to be engaged. Once engaged, they will deliver beyond expectations and better satisfy clients, according to the Journal of Applied Psychology. To get more engagement, you need to understand what it is, how it connects to your bottom line, and how your rewards programs can make a real difference.

WHAT IS EMPLOYEE ENGAGEMENT?

Employee engagement represents the emotional attachment workers have toward their jobs. It transcends cultural backgrounds and also is relatively immune to pure financial motivations. At its core, employee engagement defines how involved and enthusiastic workers are about what they do each day, and profoundly influences how willing employees are to learn and perform at work.

Employee engagement is oriented around the qualitative aspects of the working relationship. Globally, engagement levels have been dropping, with only 31 percent of workers reporting that they feel engaged in their work in the 2011 Employee Engagement Report by consulting firm BlessingWhite. The primary drivers of this low level are a perceived lack of appreciation at work, gaps between worker expectations and workplace norms, and worker frustration about a lack of clarity at work, according to the Singapore Human Resources Institute. This lack of engagement can be connected back to stalling business performance in a number of ways.

THE LINK BETWEEN EMPLOYEE ENGAGEMENT AND THE BOTTOM LINE

Worker engagement levels impact the bottom line at multiple levels. It's not just higher costs from missed opportunities or passive aggressive sabotage. Employees who are engaged are more willing to invest discretionary effort to develop the future of the company, and they also have a greater belief in their personal ability to make a difference in aspects of corporate performance, states Towers Perrin.

Half of the variation in customer satisfaction levels can be traced back to employee engagement scores. Some 88 percent of engaged employees believe they can positively impact the quality of their business's products, while 68 percent believe they have a cost impacts. In contrast, unengaged or apathetic

13
Q3 | 2012 | Diversity Global
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employees are more likely to sabotage corporate improvement efforts, support status quo over change, or fail to develop new innovations. A 2005 study of sales performance teams found that the difference in performance between engaged and non-engaged teams was $2.1 million in revenue.

Safety also comes into play. Engaged workers are more careful in their work and with themselves on the job, being five times less likely to have a safety incident and seven times less likely to have an incident that resulted in time off the job. By raising employee engagement levels in 2002, Molson Coors (a beverage firm) was able to save $1,721,760 in safety costs. All in all, the net difference between firms with engaged staff and firms with disengaged or apathetic staff is a 52 percent difference in net operating income according to the Hay Group.

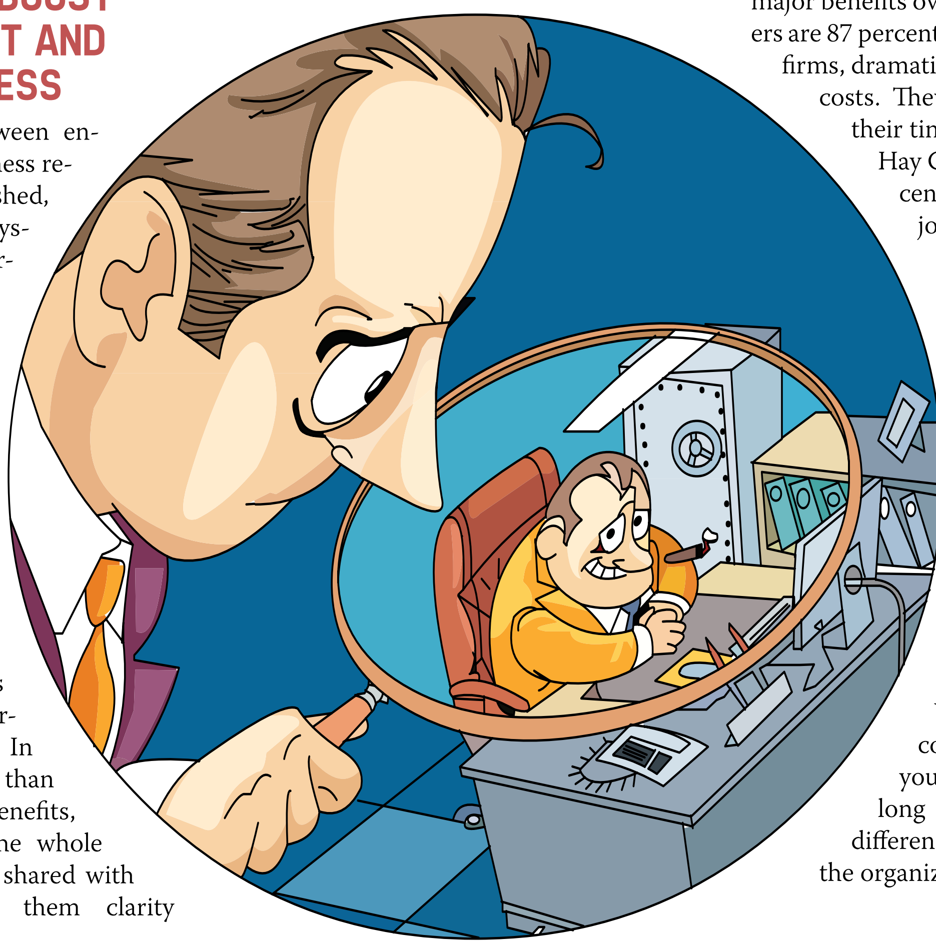
HOW REWARDS PROGRAMS BOOST ENGAGEMENT AND YOUR BUSINESS

With the link between engagement and business results firmly established, how can rewards systems make a difference? It's not a purely financial system, but improving rewards structures speak directly to employees' concerns with work clarity, performance appreciation, and gaps between expectations and reality.

Total rewards systems make a particular difference. In this system, rather than focusing just on benefits, perks, or salary, the whole rewards package is shared with employees, giving them clarity

Tied with an effective performance review system, total rewards programs prove to staff that their work is noticed, their efforts make a difference, and that everyone understands the desired work outcomes

about the value of their work. Tied with an effective performance review system, total rewards programs prove to staff that their work is noticed, their efforts make a difference, and that everyone understands the desired work outcomes, according to studies by Watson Wyatt.



In this sense, total rewards systems are more effective than traditional cash bonus systems. Top drivers of employee engagement have feelings of appreciation and value in their work, something being handed a check doesn't communicate. The greater dialogue with supervisors and the HR department generated under total rewards plans directly addresses workers' needs and boosts their engagement levels with the firm.

A key issue is clarity on communications. Multiple studies around the globe confirm that workers from all cultural backgrounds react negatively to unclear or cloudy information situations. Total rewards systems reduce confusion about expectations, reward metrics, and company missions, making it easier for workers to connect to their business and boosting overall engagement levels.

Firms who make the investment in a thoughtful total rewards system can reap major benefits over time. Engaged workers are 87 percent less likely to leave their firms, dramatically reducing turnover costs. They give more readily of their time and according to the Hay Group, are up to 43 percent more effective on the job.

Employee feelings about work are not touchy-feeley metrics to be ignored. Instead, by understanding employee engagement and making strides to address engagement with a total rewards system, firms can leverage the power of an engaged workforce. With workers who consistently do more for your business, it won't be long until the bottom line difference is felt throughout the organization.

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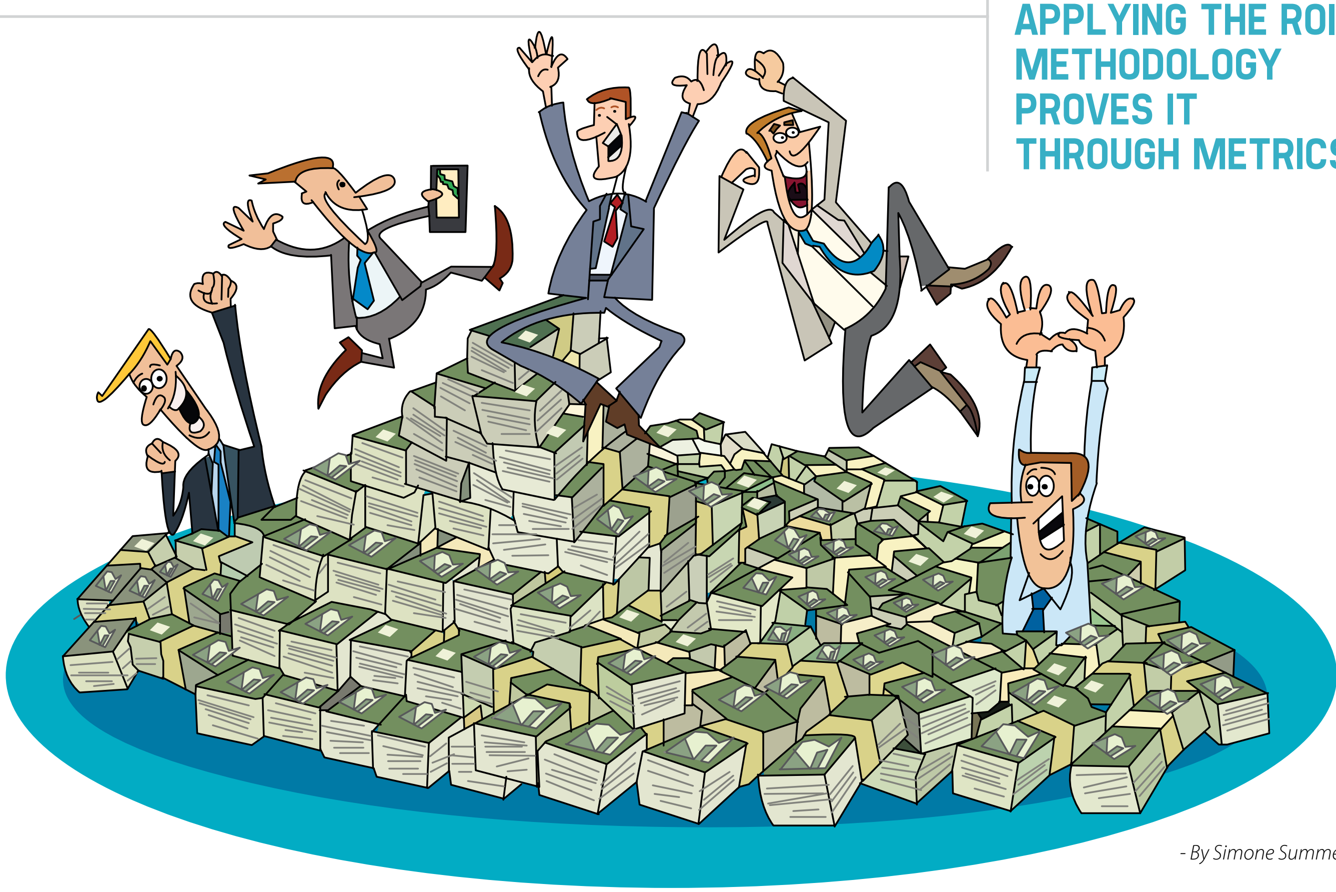
Office DEPOT

MEASURING DIVERSITY ROI PROVES INTUITION IS RIGHT

DIVERSITY MANAGERS KNOW INTUITIVELY THAT DIVERSITY PROGRAMS ADD VALUE TO THE ORGANIZATION. APPLYING THE ROI METHODOLOGY PROVES IT THROUGH METRICS.



- By Simone Summers

Diversity managers intuitively know the importance of diversity and inclusion to an organization's ability to innovate and maintain a cutting edge competitive position. However, until recently there has been little emphasis on backing up that intuition with metrics. The Return on Investment (ROI) Methodology has generally not been used to isolate the business impact of supplier or workforce diversity on the organization. That is rapidly changing as businesses focus on becoming leaner.

Calculating the financial impact of diversity programs gives them more legitimacy as value adding efforts in their own right. Applying the ROI Methodology to workforce and supplier diversity programs produces the metrics for benchmarking and performance evaluation. However, an effective ROI Methodology will also yield critical business intelligence that is used for improved organizational decision making at the strategic and operational levels.

The first step is defining what the term 'diversity' means to the organization because it determines the necessary data collection and ROI impact analysis. Currently, organizations report primarily on factors like total diverse supplier spend or number of multicultural staff members. However, the organizations that have embraced diversity for more reasons than simply complying with government guidelines or to promote a positive corporate image actively manage the programs like any other business unit. They want to see business measures that prove current diversity strategies are working in a number of ways and that results flow to the bottom line.

ONE THING LEADS TO ANOTHER

Applying the ROI Methodology to diversity programs begins with determining the results expected from the investment. ROI has shifted from being strictly activity based (i.e. number of attendees at a workshop, total spend, etc.) to results based (assessment of attitude changes towards diversity, impact as key driver of innovation, etc.). ROI is important because company executives are more likely to buy-in to the right sizing of the diversity programs and make decisions that consider diversity if they have proof that the impact of the efforts and investment are measurable and that a contribution is made to profitability. A best practice is to implement ROI for diversity programs as a process improvement strategy and not just a method for reporting figures and facts. In addition to using the traditional numbers of spend and hires, the ROI analysis includes data that leads to strategic decisions from top to bottom that are better aligned to the corporate mission and the improved ability to excel in the marketplace.

The ROI Methodology involves four levels of data collection. The first data set (reaction) reflects whether stakeholders find the diversity program valuable. The second set of data (learning) measures how much stakeholders have learned in terms of skills and knowledge and whether there has been measurable changes in attitude towards diversity. The third data source (application) collects information that measures how skills and knowledge have translated into actions, technologies and processes. The fourth data set (impact) measures how those actions, technologies and processes are measured in terms of business factors like productivity, customer satisfaction, turnover, promotions, employee engagement and community connectivity.

The impact data are converted to money value to introduce the financial measures of the diversity programs. The effects of the diversity program are isolated from other business operations and the cost of the diversity programs is compared to the benefits, leading to ROI. Some of the impacts are not financially measurable but can be reported as intangible benefits. For example, an assessment of staff attitudes towards the workplace shows greater satisfaction with career opportunities. The ROI returns measures that are compared to the diversity program objectives to determine if process improvements are needed or if the program is on track.

VALUE OF TANGIBLES AND INTANGIBLES

Diversity programs are a value added function. The intent is that adding, developing and expanding the program improves profitability, whether that is through increased revenues, lower expenses or improved quality. The quality measure has particular relevance to diversity programs. The question diversity managers ask themselves comes from two directions: 1) the advantages of having supplier and workforce diversity, 2) the cost of not being diverse. The costs associated with lack of diversity may include events like missing out on an innovative product design or loss of a global customer because of an inability to cross cultural divides.

Developing the tangible data is critical to diversity program success and support. Without the financial measures, the organization may develop lists of advantages or newly implemented organizational measures, but they are only lists. The changes in the organization due to implementation of the diversity programs must be converted to financial numbers. In the end, every financial ROI is figured by a basic formula: (Gain from investment – Cost of investment)/ Cost of investment. However, diversity ROI also includes measures that stop at the point where gain from the investment is figured. The gain is the return.

For example, a leadership program that improves skills of women decision makers may lead to an impact (the fourth data calculation in ROI) that is found in a variety of new internal initiatives within a specific department. In that case, measuring the impact of leadership training would focus on how much value was added as a result of the new initiatives. On the other hand, the ROI would focus on the monetary gain of leadership training versus the cost of leadership training.

The intangibles that are measured are equally important to the value added diversity program. Intangibles include factors like increased number of alliances made with diversity councils, improving branding due to diversity and inclusion programs, enhanced community goodwill, increase in employee satisfaction with jobs or business culture, increased willingness of employees to embrace the company mission and objectives, and so on. The intangible measures can include simple counts (number of minority job applications) or measures of scaled responses (asking for a response on a scale of 1-5 if a diverse staff member believes training programs enhance career opportunities). Relationships can also be measured, such as diverse staff job satisfaction in relation to diverse staff turnover.

The diversity data and responses must be isolated from the general organizational data to specifically measure the impact of specific diversity programs. However, evaluating the total effectiveness of the diversity program as a component of a whole requires measures that also include responses from other stakeholders, including non-minority staff and community members. The ROI Methodology applied to diversity programs gives intuitive supporters of diversity the right to say, "I told you so."

USING HUMAN CAPITAL ANALYTICS TO MAKE DATA-DRIVEN DECISIONS

THERE'S NO REASON NOT TO GET NUMBERS ON YOUR SIDE

- By Malibu Kothari

For many diversity and HR professionals, the fear of mathematics can be traced directly back to multiple semesters of boring and overly complex educational torture. There was no way you were ever going to need that stuff … until now. There is a real need for the diversity space to build a Human Capital Analytics (HCA) framework to drive ongoing HR and personnel investment decisions.

Understanding this need begins with understanding HCA itself. Though some of the numbers are complex, this is not a math problem set to be feared. Instead, HCA can help with monitoring the financial and non-financial elements of HR's contribution to your firm's strategies around engagement, leadership development, learning, and diversity. Seeing how it is used successfully can be the final illustration of why HCA was made to be embraced by smart professionals world-wide.

UNDERSTANDING HCA

HCA takes the subjective nature of HR practice and replaces it with hard numbers. These numbers represent some of the biggest challenges for your firm – metrics may include the return on training investments, employee morale numbers, and turnover costs. They are free of prejudice and represent just facts on the ground.

The relationship between this hard data and human capital strategies has to do with maximizing the potential of both policies and people. Data analytics provide real insights into which HR moves are paying off and which need replaced. They can provide starting points for more meaningful strategy planning sessions and take some of the mystery out of managing any given workforce.

MONITORING THE FINANCIAL AND NON-FINANCIAL IMPACT OF HR

Getting the data to the forefront helps assess financial and non-financial HR contributions to the organization. From a diversity perspective, this is vital in building partnership with HR leaders and eliminating stereotypes or misperceptions from strategic initiatives. Overall, HCA can help firms make significant progress on their four biggest challenges - Employee Engagement, Leadership Development, Learning & Development, and Diversity & Inclusion.

On the employee engagement front, HCA can help differentiate between engaged and non-engaged populations. This pulls out useful metrics around performance needs, the net return on engagement investments, and potential red-flag areas. Management teams can be more effective in addressing engagement issues and have a better sense of an often intangible area.

For leadership development, HCA guides smart talent development investments. When linked to an effective performance management system, HCA can help pick out key future leaders based on their real competencies and abilities. This helps both workers and management feel as though leadership development is a

merit-based and science-based process rather than an unequal game of favoritism.

Learning & Development (L&D) benefits a great deal from HCA. Metrics separate useful activities from time wasters as well as set up systems to effectively evaluate training outcomes over time. Coupled with existing evaluation tools, the extra boost of HCA can give L&D teams greater control over investment returns and hard skill development.

For Diversity & Inclusion HCA is critical for building the business case for diversity at your organization and showcasing inequalities where they exist. HCA provides hard points of comparison in candidate pools, helps assess funding impact across spaces, and provides the dollar for dollar return on diversity programming. It can build credibility, justify programming choices, and prove the value of ongoing investments.

All in all, HCA allows for evidence-based decision making in key business strategy areas. Becoming knowledgeable and comfortable with HCA forms and decisions can give your business a key competitive advantage.

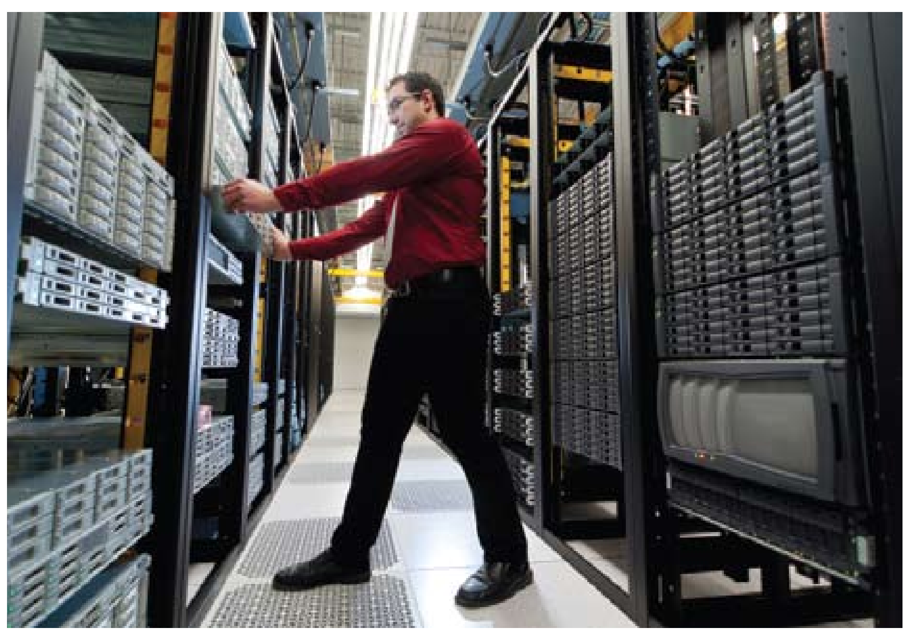
SUCCESSFUL HCA APPLICATIONS

Don't doubt that HCA could be successful at your firm. Large and small businesses in a variety of industries are successfully using HCA applications. HCA can help manage changing environments, fast-paced environments, and areas where clarity is lacking. It puts meaning behind all HR activities and links directly to core business needs.

In the case of General Parts International, the need was to rapidly adapt. The firm's Carquest Auto Parts stores were facing an evolving business environment that wasn't being served by traditional HR measurements. By implementing an HCA driven HR dashboard, the firm was able to manage bottom line impact of HR decisions and allocate resources more effectively to shift the ground culture.

For Lowe's, the need was to develop a strong talent pipeline across a global framework. Beginning in 2007, the company activity pursued HCAs that were linked to bottom-line needs. They secured executive buy-in, did an audit of the existing data feeds, carefully built a framework for analysis linked to key performance themes, and started taking action on their findings. The net result was an improvement in talent outcomes, the creation of a flexible HR system attuned to the business's seasonal ebb-and-flow, and greater respect for the HR function within the organization, according to SVP of Learning and Organizational Effectiveness Cedric Coco.

Looking at these successes, it is clear that the diversity function can build a strong set of HR outcomes by pushing for HCA systems. With objectivity and with clear links to strategic goals, HCA systems can bring new life into diversity planning and execution. Open the conversation today – and see what results HCA brings to you in the future.



Volksw

CFO Hardy Brennecke Adds Family to Cultural Diversity Goals

- By Paul Lachhu

Hardy Brennecke
Executive Vice President and Chief Financial Officer, Volkswagen Group.

You can get whole new perspective on diversity by talking to Hardy Brennecke who is the Executive Vice President and Chief Financial Officer of Volkswagen Group of America. His area of responsibility includes the entire U.S. business division of the Volkswagen Group, including logistical operations and investment in and construction of U.S. manufacturing facilities. One of the challenges he faces is creating a supportive work environment for employees with different cultural and ethnic backgrounds. In discussing Volkswagen's approach to diversity, it's clear that the company is dedicated to ensuring its employees have many opportunities to experience and learn from different cultures.

There are two reasons for supporting cultural exchange. First, employees are able to experience personal development in an increasingly global business environment. Second, the Volkswagen Group benefits from the development of its workforce cultural sensitivities and the ability of staff to move back and forth between various work locations around the world. In this regard, Volkswagen represents the modern day glo-

agen's

bal corporation where cultural diversity has an equally important role as that of racial and gender diversity.

In pursuit of these goals, Volkswagen has formed a number of Diversity Councils throughout the U.S., including the Corporate Diversity Council representing a cross section of U.S. operations. In addition to workforce diversity, the company also promotes diversity in its supplier and dealer networks. Attracting and retaining diverse suppliers and dealers is accomplished through initiatives managed by Purchasing and Dealer Networking teams, partnerships formed as a result of the Diversity Outreach initiative, and a supplier mentoring program. The company goal is to establish long term relationships with qualified, experienced and value driven suppliers. Businesses certified by the National Minority Supplier Development Council or the Women's Business Enterprise Council in the U.S. are encouraged to register with Volkswagen Group of America.

DiversityGlobal Editor In Chief Paul Lachhu sat down with Mr. Brennecke to get a better understanding of how Volkswagen has strengthened its international brand by promoting workforce and supplier diversity. The company has established a diversity model for global operations that any company operating in more than one country can use to leverage diversity to promote business success. The model is such that it easily encompasses all definitions of diversity including cultural, gender or racial.

How is Volkswagen embracing the global change in diversity?

We operate in a 153 countries around the world, so are in nearly every country. Because of this, diversity is a major focal point for us as a company. We want to be able to transfer people to different countries without creating undue stress. For example, we built a factory in Chattanooga, TN, in the U.S. that began operating in April 2011. We bring people from all areas of the world to support this startup phase. However, we also send people from the U.S. to Europe and to other parts of the world to give them the opportunity to learn new cultures, to benefit from the cultural exposure and to develop their own identity as Volkswagen global team members.

What specific program is Volkswagen putting into place to ensure diversity both internally and externally?

We have programs where people can request to work in other countries for specific periods of time, like those coming to work in the U.S. for three years. We also have U.S. workers going to Germany and to other locations in the Volkswagen World to work for a specific time period and then returning to their home country again. This program works extremely well because it promotes cultural diversity, but employees know when they will return home.

How are you identifying and retaining diverse talent?

That's a very important topic that we have addressed this year. We have a talent management process designed to identify our diverse talent and expand opportunities. Management looks at all different levels of the company and says, "Who works for us that has the talent to go to a different part of the company or to a different country?" We identify which people are a good fit for taking advantage of existing opportunities or those opportunities we should develop to make best use of this talent in our company.

What do you consider as one of your best practices employed inside the company?

One of our best practices is the fact we have programs that, on the one hand, focus on the person, but on the other hand, also focus on the family. In my view this is one of the benefits of working for Volkswagen. It's clear we have to focus on the spouses and the children of our staff, as well as the staff members in terms of helping the whole family adjust to cultural challenges. For example, when German staff is transferred to another country like the U.S., we talk about school and kindergarten because school is so important. We must make sure the timing of the job transfer takes the end of the school year into account. We ultimately have to make sure the family will be able to adapt to living in a foreign country. We can't just bring someone over from Germany and then say that all the family issues are secondary in nature.

One of the big challenges for companies in America is getting diverse talent at the highest levels of management, which can also include the Board of Directors. Is that something Volkswagen struggles with in terms of not just being black and white but of being a different culture?

I think it is a challenge for us as a company, but we need to consider the program and goals over a longer period of time. We can't say diversity starts now and we have to implement everything within three months. Coming back to the example of the family, it's important to say, "Over what period of time is a change possible?" If it doesn't work this year, then maybe the transfer or promotion will work in two years. Being able to plan this far ahead in time is very important, but you get a high level of flexibility and openness in programs that take the future into consideration.

Now one of the things Volkswagen Group of America is doing is building its supplier diversity base by getting a lot more minorities and women as suppliers. Is this effort supported from the very highest levels?

We have had a lot of success with employee led advisory committees, especially in Chattanooga, where we said, "People should be part of and involved in the diversity program discussions." The results speak for themselves. In 2010, we were awarded the Corporate Leadership Award by the Urban League of Greater Chattanooga because of our commitment to diversity and inclusion. One of the main reasons for our success is because key decisions on diversity are made at the top so everyone knows this is a very important program and has the full support of the executive level.

What can other companies in Germany and other parts of Europe learn from Volkswagen's success?

I think the fact that a diversity program must be implemented from the top down is one of the most important lessons. Also, another lesson is that diversity programs should reflect long term goals and not just short term effort. As mentioned, you can't change everything in three months. But you can say, "What are the steps we need to take to reach the long term target?"

What are you most proud of, not just in terms of diversity, but in terms of success at Volkswagen?

I think that we have a clear success strategy in place and are executing it even when times are difficult. For example, the decision to locate and build a manufacturing plant in Chattanooga was made in the midst of an economic crisis. It says this company is really committed, and whatever happens, it executes its strategy. That reflects good decision making from the start.

GETTING ON THE RIGHT BUSINESS PATH WITH A PAY FOR PERFORMANCE PLAN

Pay for Performance plans can drive value creation but only if they link staff goals directly to the business plan.

- By Donna Chan

There are a myriad of "pay for performance" plans that have developed over the years as companies tried to motivate employees to increase productivity by using monetary incentives. The pay for performance plans are also used to build employee morale, increase employee retention rates, and improve business efficiency. Used in the public and private sectors, the variety of business incentive pay plans range from offering free vacations to bonus payments. The plans included in this discussion are the ones that tie salary and/or incentive pay to job performances that meet financial and non-financial goals.

The variety of pay for performance plans is fairly extensive. A typical compensation model may reward an employee once a year based on a positive annual evaluation indicating performance goals were met. The company can institute team incentives in which team members are paid a bonus after meeting project goals. Sometimes, pay for performance rewards are tied to completing programs that expand staff capabilities, like earning a degree or a particular certification. Companies also offer compensation incentives that are paid based on overall company performance, such as meeting and exceeding a revenue target or profit amount.

The many variations of pay for performance plans are the result of businesses trying to use compensation to promote specific end results. Obviously, the set goals can vary widely and many factors determine whether the pay for performance plan succeeds or fails. Perversely, a pay for performance plan can lead to employees meeting goals but without developing any more loyalty or ongoing commitment to increased efficiency and productivity. Value is created one time, however, it defeats plans implemented to improve employee retention over the long term.

Consider the Big Picture When Creating the Small Pieces

Pay per performance plans that succeed will raise general operational performance over the long term, even when the incentives are only paid once for meeting particular goals. In other words, employees will continue to perform at a higher level even after the incentive is paid. That is true value creation. The factors that determine plan success revolve around core concepts of fairness, consistency and value. The employee must recognize that meeting the performance goals is a way to make a

greater contribution on a personal level to company success. Employees must view meeting the goals as elevating their contributions to business success.

The pay for performance plan goals tied to actual pay must be specific and measurable. They also need to be achievable because employees who consider goals to be unreasonable will not make any effort to reach them. This has great implications in an economic environment in which companies are unable to sustain growth. Tying goals to activity in a thriving economy when the current economy is contracting can make it impossible for staff members to do better than they did in prior periods.

The key to a successful pay for performance plan is to link performance expectations to goals set within an overall management system to create a performance based organizational environment. The performance plan for the individual is clearly linked to the business plan for the entire organization. The reward system is aligned with the organizational mission, culture, values, strategies, performance results, and objectives. This adds a motivational factor beyond money in that the employee is involved in ensuring company success rather than just qualifying for personal compensation. A larger purpose is created in which employees can find job satisfaction, and money becomes just one factor.

Nurturing Staff the Foundation of Excellence in Compensation

The Fortune Most Admired (FMA) Companies were examined by Hay Group in 2007. The clear finding was that it was not the amount of pay that mattered most. It was how the pay strategically met business needs. In fact, it was discovered that the FMA companies were paying less than peer companies in many cases and yet were most admired. Though the study concentrated on executive pay, there are lessons in this study that apply to all pay levels.

The non-fixed compensation paid to managers is called the "at risk" compensation, in that the money is tied to short and long term incentives and is not guaranteed like salary. The main lesson is that pay per performance plans need to balance the pay elements between the guaranteed pay and the at-risk pay based on incentives in a way that best meets the needs of the business. In doing so, the link is established between performance and overall business success. Instead of focusing on how much people are paid, the FMA companies look at compensation objectives that include developing employee capabilities to their maximum, nurturing employee talents, and encouraging feedback that can be used to improve the business.

Do the Links Make Sense?

There are different ways to set performance goals. Performance can be measured against a fixed internal goal like an earnings or profit target, or it can be measured against a relative goal like a comparison against an industry standard. Goals can be based on a predetermined fixed formula or rely on the discretion of management. Performance goals can also be based on operational goals like sales or production targets or market based like a stock price or shareholder distribution. Choosing the right goals goes back to the earlier discussion in that goals must be reasonable and achievable. It would not make sense to link the accounting manager's pay to a sales goal, but it would make sense to link pay for the Vice President of Manufacturing to a goal of exceeding an industry quality control standard.

Selecting the actual goals and then establishing the metrics for measurement is the most difficult step in establishing pay for performance programs. However, keeping in the mind the fact that the goals must be aligned with the business mission and business plan, and kept reasonable and incentivizing, makes the process easier. In addition, goals and objectives can be financial

The key to a successful pay for performance plan is to link performance expectations to goals set within an overall management system to create a performance based organizational environment. The performance plan for the individual is clearly linked to the business plan for the entire organization.

and non-financial. Discretion is often involved in pay per performance plans that include non-financial objectives like customer satisfaction or market share increases particular to an individual's job functions.

Performance metrics include a host of measurements. Companies often begin by first researching industry standards to set benchmarks and then consider the company's placement within each standard. In general, metrics can be grouped as market measures (i.e. deliveries, new products), customer satisfaction (i.e. market share, customer complaints), business financial value (i.e. profit margin, revenue growth) or shareholder return (i.e. stock price, profitability growth).

Ultimately, the purpose for pay for performance plans is to motivate employees as individuals and team members to perform to their maximum capabilities, to achieve business strategic goals, and to recognize the unique contributions staff members make to business success. If it achieves these goals, the plan will create business value.

Honestly? Does an Ethical Corporate Culture Really Matter?

By Belinda Jones

The news reports have been rife with incidences of corporate dishonesty. The acts of dishonesty include the obvious ones like theft and embezzlement. However, corporate dishonesty also includes the not so obvious acts like employees covering up an illegal activity committed by a coworker, failing to adhere to government regulations or laws, and falsifying information on financial statements or on the information given to stakeholders. All unethical behavior raises the risk level within the organization. It is tempting to believe that unethical behavior in the workplace is always about greed or inherent character flaws in workforce members, but the truth is that the corporate culture can have as much influence as personal values. Therefore, ethics is a matter of leadership.

Corporations engaging in unethical or dishonest behavior can cause a lot of damage to a corporation's stakeholders. For example, misrepresentation of financial information on government documents can lead to shareholders making bad investment decisions. Organizations that earn a reputation for social irresponsibility by committing harmful acts like dumping manufacturing waste in the rivers soon discover they lack community support, which can impact sales. In other words, unethical corporate behavior can take many forms that run a spectrum of actions from petty theft by an employee to deliberate fraud by management.

Though personal values and character play an important role in whether a person acts fairly and legally, they are not the only factors. If they were, you would not see the highly qualified leaders with sterling reputations finding themselves charged with fraud. During the recent recession, the discovery that management at the major global banks was not recording actual investment asset market prices on their balance sheets because that would force bankruptcy revealed conspiratorial behaviors among the workforces intended to keep the truth from the public and government regulators. Investigators and researchers discovered a culture of duplicity in these giant banks that was accepted as business-as-usual.

LAWS ARE NOT ENOUGH

Ethics and Compliance (E&C) is a term that has been used for a number of years. It can refer to the principles of honesty and legality, but it can also refer to companies adopting programs that are designed to prevent wrongdoing, monitor organizational conduct, and establish a process for identifying potential or actual misconduct before anyone is harmed. E&C is partially supported by criminal laws and their associated penalties, but laws don't create corporate culture. A good example is the recent scandal associated with the British newspaper News of the World. Published for 168 years, it was discovered that the paper's employees had been illegally wiretapping cell phones. Though the case is still unfolding, criminal charges are being brought against the highest executives who helped cover up the wiretapping or interfered with the police investigation. The laws and penalties were in place, but they obviously had little impact on the wiretapping reporters.

Clearly the newspaper had an organizational culture that may not have promoted illegal activity, but it certainly fostered an environment that did little to discourage it. The guilty employees at the newspaper apparently did not accept responsibility for the impact their actions would have on others including coworkers. When the newspaper was shut down, 200 people lost their jobs.

People must take responsibility for their personal actions, but leadership has a responsibility to develop a corporate culture that promotes and rewards honesty and fairness through effective communication and by establishing internal systems and processes that are transparent, require accountability and assign responsibility. A system of ethics and compliance is expanded beyond adherence to the law by building honesty and fairness into all organizational dealings. The end result is that employees begin to judge their actions in terms of their reasonableness, legality and impact on others.

RESPONSIBILITIES OF LEADERSHIP

Corporate culture is developed and promoted by leadership, so ethical decision making must begin with top management. Just like employees need to consider the impact of their decisions beyond themselves, top management needs to recognize that ethical decision making involves much more than making decisions that maximize the organization's and thus shareholder wealth. Decisions at every organizational level should consider fellow employees, customers, the community, suppliers and even the greater economic environment.

Formal controls and compliance policies are needed but cannot be relied on to prevent staff dishonesty and should be supplemented with values based strategies.

In fact, if the corporate culture reinforces the ideas that as long as a profit can be made then unethical or dishonest actions are justified, staff members are more likely to make decisions lacking integrity because the decisions are self-centered. This explains cases where the meteoric rise of a star executive is followed by headlines announcing misuse of funds or dishonest actions or failure to investigate suspected ethics violations. One author called this the winner-take-all attitude that assumes rules are meant to be broken if real success is to be found. Unfortunately this attitude can also lead to leaders developing contempt for those who are unwilling to break the rules to get ahead. The end result is a corporate culture that rewards aggressive, unethical, and possibly dishonest, behavior.

By considering the interests of all company stakeholders, ethics are built into the strategic planning. Though formal controls are an important component of ethics and compliance, they are sometimes self-defeating in that staff may view them as a sign that the company management doesn't trust its own staff. Formal controls and compliance policies are needed but cannot be relied on to prevent staff dishonesty and should be supplemented with values based strategies.

TRANSPARENCY IS A REQUIREMENT

Developing a corporate culture that promotes honesty requires developing transparency. Though transparency can mean a lot of things, in terms of ethics it refers to establishing a program that fosters honest staff behavior no matter what type of situation occurs. Management is tasked with identifying those situations that provide opportunities for dishonesty, and then communicating that awareness while helping employees manage the job functions in a responsible manner. Implementing clear lines of communication is necessary. Staff should know how to report suspected dishonesty or concerns about potentially troublesome situations. They also need to feel comfortable that doing the right thing will not be punished. One of the problems managers face is staff perception that whistleblowers are somehow traitors. One method used by businesses is to hold periodic employee group sessions to discuss ethics and various situations ripe for unethical treatment.

Transparency also requires leadership ensuring that government requirements are met and the law is followed, and that includes employees, third parties and suppliers. Written standards and procedures should clearly establish acceptable behaviors and staff needs to be well trained. It is important to ensure that all activities have appropriate oversight and authority is clearly delegated.

Most importantly, ethical behavior should begin at the top. There is a saying: Don't do as I do, do as I say. Senior management that acts unethically yet expects staff to act honestly and principled are promoting a culture of hypocrisy. Employees need to know that management is approachable when they have concerns, and management must respond appropriately when violations are found.

Kraft Foods

Drives Partnership of Two MBEs to Achieve Success

By Shaniqua Thomas

When ARI and Nulogy agreed to work together, they had at least one specific goal in mind. The two minority suppliers set their sights on integrating with their mutual customer Kraft Foods in a way that could significantly improve the efficiency of one of Kraft's new products. This proposal was greatly supported and embraced by Kraft Foods, resulting in a successful case study on how MBEs proactively seek out support from a mutual corporate customer to take ownership in forming an alliance that would deliver innovative solution to create mutual benefits.

Kraft Foods had developed the well-received powdered MiO flavored water enhancer, and its launch represented the first new-category product in 15 years. ARI was selected to provide Kraft Foods with an integrative marketing production and packaging solution to meet Kraft's unique packaging and display needs. Already a Kraft supplier, ARI was familiar with Kraft's operations; however, they lacked the ability to offer integrated real-time inventory and distribution tracking without making a significant capital investment in infrastructure and software.

Nulogy, also a Kraft supplier with inventory software solution, is a software developer that works with contract packagers and is the creator of the proprietary PackManager software program. The partnership between ARI and Nulogy would help ARI develop a solution to meet Kraft's MiO packaging and inventory tracking needs.

As a result of this strategic partnership, MiO was successfully launched, and the three companies are tightly integrated. The partnership among Kraft Foods, ARI, and Nulogy allow the three parties to fully integrate in bringing real-time updates to the MiO supply chain. The value propositions include improved speed to market due to reduced cycle time, greater product-in-process and finished goods visibility, cost savings, increased efficiency due to elimination of manual input and reporting, reduced data errors, and a streamlined product line.

Kraft Foods' spend with ARI increased 64 percent in 2011 to close to $30 million in Tier 1 spending. The economic environment coupled with significant changes in mobile technology is creating a climate in which this alliance would make great sense.

Vickie Hsi, Associate Director, Kraft Foods.

Shifting Marketplace Requires Solid Business Strategies

Kraft Foods credits the success of this alliance to the MBEs' proactivity and innovative thinking. The minority business enterprises (MBEs) recognized the packaging and display needs for MiO products and teamed up to address these needs for one of their largest corporate customers, Kraft Foods. Kraft Foods, known for its commitment in supplier diversity, immediately embraced the proposition and applauded ARI and Nulogy's ownership in forming this partnership that hopes to bring incremental values and cost savings to Kraft. "ARI has been a long standing supplier to Kraft and is constantly looking for ways to best align its services to Kraft's objectives; Nulogy, on the other hand, has an excellent reputation for bringing efficiency to market. The partnership of these two suppliers brings mutual benefits and incremental value to their customers and such effort is much commended," said Vickie Hsi, Kraft Foods' Associate Director.

Todd Swift, Director of Packaging Solutions at ARI, and Kevin Wong, Chief Operating Officer and co-founder of Nulogy, were the key link in the partnership of the two companies. They created an integrated team with members from both companies to synthesize Kraft's requirements, and propose an effective solution that would meet Kraft's needs and could be quickly implemented

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>
> - Vickie Hsi

after acceptance. The team's commitment to innovation meant that they would have to be willing to accept the risks inherent with introducing disruptive change. They also understood that whatever was proposed to Kraft had to be a solid proposal that demonstrated how it would improve Kraft's competitiveness, efficiency and cost effectiveness.

The result was a success with Kraft's MiO product line where ARI and Kraft use Nulogy's PackManager to fully integrate the supplier and customer.

Managing the Risks of Innovation

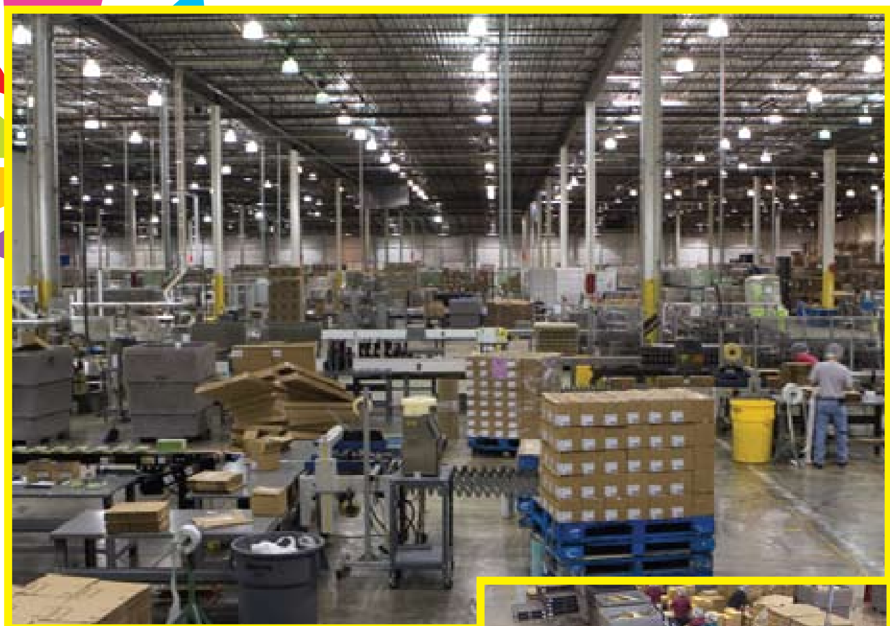
There are several features of the ARI and Nulogy approach that provide important lessons. First, the owners of ARI and Nulogy knew they needed to think ahead and present this idea to a corporation that is known to welcome and seek innovation. By contrast, the traditional model would have been for Kraft to issue an RFP or request a meeting. At that point, the suppliers would be facing more competition for Kraft's business. Another challenge was that selling this partnership to Kraft required proving tangible value on multiple levels. Failure would not only hurt the chances of a successful Kraft product launch; it could also harm the ability of ARI and Nulogy to remain competitive.

Managing the risks inherent in this collaboration was critical. ARI and Nulogy had as much to lose as they did to gain. As is true of most projects, the risks are intricately tied together and mitigating failure requires a risk containment strategy addressing each component. If the parts work, the whole has a greater chance of success.

Todd Swift, Director, Packaging Solutions, ARI.

Kevin Wong, Chief Operating Officer and co-founder, Nulogy.

One of the innovations in the project was not just the solution itself, but also a reduction in the overall project risk. A supplier does not enter a partnership or a corporate contract expecting failure, but if it were to happen, it is valuable to have a way to gracefully bow out with the least amount of financial damage. In this case, technology was the key component. Since the software system was modular and cloud-based and did not require a significant investment in hardware and human resources, and was able to easily accommodate growth, there was no large up-front risk. That did not mean the proposition is risk-free. However, the project plan was built to be incremental, with a formal process of milestones. If at any point during implementation the testing and trials or milestones were reviewed and it was clear that the system would not work well for Kraft or the suppliers, it could be abandoned with the least amount of loss.



Cloud technology also reduced the risk of financial loss and minimized the IT staff investment. Users did not need to purchase large servers or maintain IT staff because hosting and software and hardware maintenance was the responsibility of the software management company. ARI could partner with Nulogy and contain its investment in project costs. Cost control was also achieved by the fact that ARI would have had to increase its IT investment to accommodate strategic planned business growth.

Using Nulogy's premier contract packaging management software program, PackManager, enabled ARI to direct resources into other business areas. "We always had the option of expanding our existing in-house system to accommodate growth, but we recognized it would be more efficient and more profitable to partner with a quality company like Nulogy," said Swift. Without Nulogy, ARI would have had to invest in IT expansion. Instead, ARI reallocated the money to Nulogy for a cost neutral partnership formation offering long term benefits and savings.

Risk was also mitigated by the quality of the software that was already tested in the marketplace and the fact ARI was using the software in its facilities. Building the project on proven technology helped reduce risk in the project, and maximize chances of success for ARI, Nulogy, and Kraft.

Innovative Collaboration Builds Scale Across the Board

The collaboration between ARI and Nulogy brought tremendous innovation to Kraft. It should be noted that one of the reasons ARI's Swift and Nulogy's Wong were comfortable approaching Kraft is that Kraft Foods is known for encouraging innovative supplier solutions. Kraft created a pipeline for supplier access that Swift and Wong used to their competitive advantage. Wong said, "Developing more supplier collaborations begins at the grassroots and everyone involved must have a shared vision. There must be recognition that there are millions of dollars worth of savings across the whole supply chain for customers and suppliers if we work more efficiently and more collaboratively."

The ARI-Nulogy-Kraft alliance has been incredibly successful. It is important to note that the alliance was not built on one opportunity. It was the end result of recognizing multiple opportunities and accepting each challenge with solutions and an eye for limiting risk as much as possible. Forming partnerships, or any other type of alliance, is not a single effort, in other words. It takes the right business talent and the ability to recognize the greater results possible from the sum of the parts.

"Developing more supplier collaborations begins at the grassroots and everyone involved must have a shared vision. There must be recognition that there are millions of dollars worth of savings across the whole supply chain for customers and suppliers if we work more efficiently and more collaboratively."
- Kevin Wong

The final lesson learned is that minority suppliers should not wait for their customers to ask for solutions. They need to identify shortcomings that present opportunities for business growth. In an economic climate in which corporate supplier consolidation and cutbacks are par for the course, minority suppliers will need to aggressively develop unique strategic and collaborative solutions for their clients. The ARI-Nulogy collaboration ultimately worked because the suppliers recognized opportunity to help a customer succeed and were willing to fill a gap in their capabilities by forming a carefully crafted partnership.

There is general agreement among ARI, Nulogy, and Kraft Foods that the success of the level of integration and collaboration among the three companies is replicable. As Todd Swift of ARI further stated, "Suppliers and corporations need to showcase their collaborative successes. Suppliers must be encouraged to be proactive in forming partnerships to bring value to customers." The success of this partnership demonstrates how innovative thinking and solutions can bring great value to customer and suppliers alike and the proactivity seen in ARI and Nulogy is indeed replicable and encouraged.

Did I Hear Right?

Converting Diversity Tension into Communication

Like the old adage about turning lemons into lemonade, you can turn diversity tension into honest communication to create a culture of respect.

- By Ricardo Nunes

In "Through the Looking Glass" by Lewis Carroll, the March Hare tells Alice, "Then you should say what you mean." Alice replies, "I do; at least – at least I mean what I say – that's the same thing, you know." Poor Alice thought she was saying what she meant, but her words kept being misinterpreted by the March Hare. He then tries to explain that saying what you mean and meaning what you say is certainly not the same thing. He was right.

The March Hare and Alice had trouble communicating even though they spoke the same language. This is a scenario that is repeated every day in the workplace, except the characters are managers and employees who represent different races, ethnicities, genders and cultures. Businesses that promote diversity are more innovative, more profitable and more creative. Sometimes, they also have more tension and more misunderstandings precisely because remarks are made that make people wonder, "Did she really mean what she said?"

How many times do people thoughtlessly speak at work and then discover their statements were misinterpreted? Offensive comments about ethnic groups are uttered or a "blonde" joke is told or statements are made that stereotype people of color. These moments can be awkward or downright embarrassing, and the people listening have two choices. The first choice is to get angry, defensive or indignant. The second choice is to turn the tense moment into a chance to come to a better understanding of diversity.

Old-Fashioned Communication in a New-Fashioned Work Environment

Diversity management usually requires conflict management at some point because people who come from different backgrounds and cultures have different perspectives. Someone who grew up in a family that told racial jokes may not even think twice about telling those jokes in the break room. Co-workers who have never worked in a diverse environment and have friends who are all the same race and come from the same culture may find that people who are different make them uncomfortable. They will often cover up the uneasiness with bravado in the form of inappropriate jokes or statements. The statements may be thoughtless and insulting, but the person making them is shocked when others find them to be so.

Conflict is often defined as fighting, but that is not true. Conflict is any condition in which people have concerns and those concerns seem to be incompatible. For example, one person sees nothing wrong with making a statement that people of a certain race are not capable of handling a particular job. A co-worker who is listening is concerned the statement is meant to be offensive. Each person is expressing something that is of concern and those concerns are expressed in a way that causes conflict. Conflict can be approached in various ways – competing, accommodating, compromising, avoiding and collaborating. Ideally, situations in which diversity tension exists creating conflict will be turned into an opportunity to collaborate, which means being assertive and cooperative with the intention of problem solving to satisfy concerns.

The question is: how? It's easy to say that there should be workplace harmony, but these moments really do not happen often. So the question remains: How can people address their concerns about diversity related issues in a way that increases understanding and becomes a teaching or learning opportunity?

Moments of tension are bound to happen in a diverse workplace. However, instead of considering them as moments of conflict in which people defend an adversarial stance, they should be treated as opportunities for mutual understanding. For this to happen, people have to act (or not act) in a certain way. The first step is to not over-react when someone says something that can be taken as offensive or as showing bias. That can be difficult, but it prevents an escalation of emotions. In addition, it is important to avoid making assumptions and especially when there are cultural differences involved. People may say or do things in complete innocence, and it may be you who is bringing the personal and cultural perspective that creates the tension.

The truth is that people can only learn by listening and then making thoughtful statements or asking thoughtful questions. Voices should not be raised because shouting negates the opportunity to talk. In addition, inflammatory language should be avoided. Calling someone a sexist or a racist will only make that person defensive. Until you understand what the person really intended when making certain statements, it does not make sense to hurl charges of bias of any kind.

Don't Jump... Just Step Back a Moment

Conflict frequently arises because people jump to conclusions. They assume they know what the other person meant or intended. Many times people simply have trouble expressing their thoughts. That is what people mean when they say, "That came out all wrong."

Before responding to offensive statements, it is more productive to decide what you want to learn by any questions you ask or what you want to share in the way of information. Perhaps you simply need to explain some aspect of your culture or ask about someone else's cultural practices. You can ask for clarification of a statement and assertively, not aggressively, let someone known that you are offended and why you are offended. People do not seem to mind telling others they are offended but often leave out the explanation. Without the explanation, it is not possible to learn or resolve conflict.

These same principles can be applied by managers trying to relieve diversity tension.

There will be times when the best response is no response. As difficult as it may be, there are some situations so explosive that it is better to walk away. It is not always possible to have intelligent conversation. Hopefully, there will be another opportunity to address the situation.

Know Thyself First

There is a responsibility for each person to identify his or her personal biases and to be aware of how they influence perspectives. There are two cures for bias in the workplace: Each person must take responsibility for his or her biases, dissect them and then set them aside. Invoking the rules of good communication, which include having respect for other people, is the second cure.

Diversity tension can cost a business in many ways. It can force managers to spend more time dealing with conflict between employees. Staff productivity inevitably declines as emotions run high. If the business atmosphere is tense or lacks respect, employee turnover will increase. Customers and vendors will sense the tension also, making it less likely they will want to do business with your company.

The March Hare told Alice, "Have some wine." Alice says, "I don't see any wine." "There isn't any," was the March Hare's response. Alice adds, "Then it wasn't very civil of you to offer it." The March Hare answers, "It wasn't very civil of you to sit down without being invited." Apparently, Alice and the March Hare came from different cultures.

It's Time to Invite White Men When Inclusion is Added to Diversity

- By Anna Gonsalves

It may seem odd to discuss diversity by talking about including white males. Yet white men already play a critical role in diversity because without their cooperation diversity and inclusion will have difficulty advancing. Why? The answer is simple. The higher you go in most organizations, the more likely you will find white men in the top management positions.

Despite the progress that has been made over the last couple of decades, white males remain in control of most large corporations and are therefore in positions where they can ensure diversity is a core value. The reality is that trying to exclude white men from the decisions that lead to diversity only serves to alienate them, and diversity is not about alienation. It is about inclusion.

Here is an interesting concept to consider: Diversity and inclusion is as much about awareness within a particular group as it is about asking people of different races and ethnicities to work together. The fact is that white men continue to hold the vast majority of leadership positions. If they are not fully aware of the true meaning of diversity, they will not fully understand their influence and role in promoting diversity.

Playing the Numbers Game Is Not a Winning Strategy

Unfortunately, for many companies, diversity as a concept has come to be associated with the law rather than a sound business principle. As a result, business leaders put rules into place that meet the letter of the law, but they do little to promote a business culture of awareness. Even in countries where diversity is not mandated or promoted by government, too many businesses manage the concept as a numbers game – number of people of color hired, number of people from different ethnic backgrounds promoted, number of women in management positions and so on. When staff is led to believe that diversity is on the same level as the laws governing safety or financial reporting, diversity and inclusiveness suffer because people of different backgrounds, gender and ethnicities are viewed as 'goals.'

What does this have to do with white men? Since white men are in the positions of power, it is up to them to create an inclusive workplace culture. However, inclusive means getting past the numbers and developing a business culture of awareness of people of color and ethnicity. Awareness in this sense means that the organizational members are sensitive to the racial, ethnic and gender differences influencing responses, the interactions among staff members in workgroups, and perceptions. In this kind of setting, it is not the number of people of color or ethnicities that are used to claim success in inclusion. Instead, successful inclusion considers how freely people interact, share information and ideas, and willingly and civilly share workplace experiences to promote greater understanding.

Most people agree that inclusiveness must start at the top of the organization. If the people at the top are mostly white men, how they approach diversity will set the tone for the whole organization. For example, if white men in power refuse to acknowledge that inequities exist in the organization, those inequities will not be addressed. If white male leaders make decisions based primarily on white male perspectives, the unspoken message to the organization is that diverse perspectives are not important. If the white male manager refuses to acknowledge diversity tension even exists within a department or within the organization, the issues will never be addressed.

Everyone Is In

Since white men clearly have control of most leadership positions, it is actually easy for them to marginalize themselves. Under pressure to add diverse people to the organization, they do not view themselves as part of the initiative. Yet, as the concept of diversity matures, the engagement of white men in diversity and inclusion is an imperative, if the case for inclusion is to advance. Inclusion does not mean excluding white men. It means that everyone in the organization is recognized as having something to offer, and that includes white men.

The 2012 Study on "White Men Leading Through Diversity" defines inclusion succinctly by stating, "Everyone is in." The purpose of the study is to use a structured approach to find out what the white men in power are thinking and doing as white leaders functioning in a diverse environment. People in leadership positions in 46 companies are participating in focus groups and research surveys that will be analyzed by management professionals who will provide confidential feedback to each participant. The results of the analysis will be released in December 2012, and all organizations will have an opportunity to learn from white leadership responses.

The two Gold Sponsors of the survey are PepsiCo and PriceWaterhouseCoopers (PWC). These two companies have already acknowledged that global success can only come through diversity and that inclusion means white men in leadership are not operating outside of the diversity initiatives. They are full participants along with other diverse groups.

The purpose is to engage white males in a way that moves awareness of diversity to inclusionary actions – real actions that bring business success.

Companies like PepsiCo and PWC are leaders in diversity and inclusion. PepsiCo defines diversity as the talent mix, while inclusion refers to people with different backgrounds collaborating and working together in support of the business case. PepsiCo has established eleven employee resource groups, and one of them is for white males. The White Male Inclusion Group represents PepsiCo's willingness to take a leadership role in diversity and inclusion practices and show how diversity and inclusion strategies can be integrated with all business groups.

PriceWaterhouseCoopers created an initiative named "White Men as Diversity Champions." The initiative is a strategy for educating and engaging white males in diversity. The purpose of the initiative extends beyond just educating and sharing viewpoints. The purpose is to engage white males in a way that moves awareness of diversity to inclusionary actions – real actions that bring business success. These actions include hiring, developing and promoting diverse peoples, and, taking it a step further, including them as full participants in business processes. Once again, by its very definition, a culture of inclusion does not have marginalized groups of any kind.

Using Privilege to Break Down Barriers

Corporations are taking different approaches to engage white males. Some typical strategies include discussing white male engagement in various employee groups, offering training programs for white male managers, holding group sessions to specifically talk about diversity, and tying white male participation in diversity strategies to company brand and performance. PepsiCo took the unusual approach of creating diverse employee groups and then having someone who is a different race, ethnicity or gender than the participants head the group.

To deliver business outcomes through white male inclusion, compelling metrics have to be established. White male groups cannot devolve into closed sessions that perpetuate closed and exclusionary thinking. There must be strategies and tools to ensure the white males are full participants in corporate diversity. Best practices include developing white male leadership in alignment with the diversity and inclusion strategy, engaging white males in other diverse groups, and establishing performance metrics that tie diversity and inclusion to business results. There needs to be measurable returns on investment that can be identified. For example, how much additional revenue can be attributed to diversity initiatives?

The Study on White Men Leading Through Diversity represents an effort to listen to white males in a disciplined manner. The strongest and most successful companies will be those that recognize white male privilege exists and are willing to leverage that understanding to strengthen diversity and inclusion. It is just another way to break down barriers.

Social Media

Adds New Dimensions to Organizational Communication

- By Joshua Ferdinand

Social media is changing the world because it changes the way people communicate. Social media makes it easy to collaborate, exchange information and ideas, and develop online relationships. However, the power of social media goes much deeper. It can be used to improve business transparency, build trust in important business relationships and give employees the power to innovate and excel. All of the advantages of social media are founded in one feature – communication.

Business transparency has taken on new meaning since the collapse of the global financial markets during the Great Recession. There have been a large number of corporate scandals including risky investments in derivatives, pyramid schemes and falsified financial statements. Consumers now want to know more about how companies operate, make decisions, manage employee relations, and incorporate social responsibility in strategies. People no longer choose businesses strictly based on product and price. Consumers want to know that a company is easily accessible when they have questions or problems. Once again, social media is playing a central role by enabling employee collaboration and employee-customer interaction on an ongoing basis.

Brave New World of Corporate Dialogue

Social media includes any technology tool that enables networking. Usually people first think of the popular sites like Facebook, LinkedIn and Twitter, but social media also includes blogs, collaborative infrastructures and uniquely designed corporate global outsourcing platforms. One of the many advantages of social media is that the improved collaborative communication can be used by any sized business too. In fact, it can give a small business greater market exposure, thus improving its ability to compete. For example, the business can maintain a Facebook page that potential customers can access to read about the company's products or services and the company's community involvement. Social media visitors can also read comments about the company posted by other customers, while the company can refine its products and services based on the comments.

Promoting customer engagement is one of the most powerful advantages of leveraging social media. A company can make information public and then encourage the public to analyze and comment. The public includes current and potential customers, suppliers, shareholders, community members, investors and anyone else interested in the company. Called "corporate dialogue," the business can build or restore trust by making information available and giving stakeholders the opportunity to provide input.

There are a number of ways to use social media. Promoting employee collaboration can drive innovation and quality performance. Using wikis, employees are able to collaborate with coworkers across organizational boundaries leading to collective intelligence. Wikispaces (or wikis) is a free web hosting service (sometimes called a wiki farm) based in San Francisco, CA, that began in March 2005. Another form of collaboration is industry forums where employees can debate concepts or discuss specific problems. Companies that engage in these collaborative communities discover that organizational performance and effectiveness is enhanced.

Clearly, collaboration can be both internal and external to the business. Businesses can now do mass distribution of information to external stakeholders or develop internal corporate

communications systems that flatten the typical hierarchy and control systems through collaboration and information distribution.

Though there are many advantages to social media, one of the most relevant in light of the recession is increased transparency. Businesses can distribute content rapidly and frequently through company websites. The links to the websites can then be copied and shared by readers in their social media sites. The transparency is achieved through frequent updating of information by the corporation. Beyond products and services, information can include fee structures, corporate policies, staff profiles, the analysis of the impact of government regulatory changes, and any other information that's important to the success of the business.

Corporate dialogue requires two-way communication, though. Simply posting static information on websites is not dialogue. To leverage social media to increase transparency and build trust, stakeholders need to be able to share points of view, recommendations and even criticisms. In many cases, businesses are turning to blogs to conduct online conversations with the marketplace. Blogging is highly effective because it gives people a voice about the company while also giving the company a chance to respond. In the past there was been concern about unjust comments being posted online and the company not having any opportunity to respond. Maintaining a corporate blog enables the business to maintain a level of control while adding dynamic networking.

Ethics, Compliance and Transparency

Jonathan Schwartz was the CEO of Sun Microsystems prior to its acquisition by the company Oracle. He was a leader using social media, particularly blogs, and encouraged his company and others to think in terms of mass collaboration. His comments at the time have become even more relevant in the post-recession period. "We're going to be driving unparalleled transparency into everything we do precisely because it's the most efficient mechanism to accelerate change…Transparency enables everything to go faster, invites accountability, and drives dialogue between Sun Microsystems and the communities we serve."

Social media flattens the hierarchy because it enables people within the organization to work in cross functional teams and to have input. At Sun Microsystems, Schwartz used blogging to communicate with external stakeholders and employees. The same type of communication can be developed on most social media forms including Facebook and LinkedIn.

Used to communicate with employees, social media introduced a new way for staff to interact and organize leading to new management dynamics. Employees can now self-organize into teams based on need, exchange ideas and solve problems. This promotes creative thinking, while also changing the traditional control systems businesses have used in the past. In other words, top down control is largely eliminated as employees take more control of their work. They can form online teams, get input from global industry members and generate collaborative solutions to problems.

One of the concerns management expresses about social media is that its use by employees can make it more difficult to maintain accountability to regulators and shareholders. The ability to easily share information that may be proprietary in nature can be seen as a disadvantage more than an advantage. That is why it's incumbent on companies using social media to establish ground rules via policies and procedures, to hold employees accountable for their actions, and to independently monitor social media tools.

The Next Generation

In an interesting turn of events, Jonathan Schwartz just might be launching the next wave of social media strategies. In February 2012, he began a new internet site that is focused on caretaking for elderly persons. The subscription site allows family and workers in the health care industry to post information about patients, caretaking methods and other related content. There is no advertising and the site is not meant to compete with other health care sites. A glimpse into the future is a site that is user controlled and competitive. This site gives advance warning that social media is still developing and companies need to participate now in order to take advantage of the next major influences if they expect to stay competitive.

Social media will only continue to advance. The next trends are pointing to integrating social media into everyday activities. For example, customers can swipe a card that immediately posts information to their social media site. A company could issue integrative cards or other media enabling customers to post information about purchases and location on their social media sites, and then reward customers with points. Another trend is the emergence of the micro economy that gives innovators and creators a platform for new ideas and leads to compensation.

The true power of social media is the fact it enables all people to communicate. It allows people to cross organizational functional areas, geographic borders and arbitrary boundaries. It can accelerate technological progress, take advantage of the creative minds of employees and increase company value. Those companies that don't get on board with social media will soon find that the most creative people are going around them in the marketplace. Social media is an engagement tool that every business, no matter how large or how small, can use to their advantage.

WORKING RELATIONSHIPS:

MAKING OR BREAKING EMPLOYEE ENGAGEMENT

- By Ingrid Johnson

More than one-third of a typical American's life is spent at work. An employee's level of commitment and satisfaction to his or her company and to his or her job is largely tied to the relationships formed with co-workers and managers.

This is vital for companies, managers, and owners to understand because it will affect their bottom line. Larger corporations may have the financial stamina to absorb costs of under-productivity, but the impact is greater for small businesses.

Minority and women business enterprises (MWBE) are particularly vulnerable to the ebb and flow of worker productivity, motivation, engagement, and loyalty. Human capital is the most valuable asset of any business, most especially for MWBE in the service industry.

Emotions impact performance, performance impacts production, and production impacts the bottom line. Therefore, negative emotions will negatively impact the bottom line. How can this be controlled in a small business environment? The answers to these and many other employee-relations issues remain an important focus and discussion among MWBE and other small business owners.

Create a Positive Atmosphere

Terminating an employee is an unpleasant task. Often the owner or manager has put significant time and energy in development of employees and may waste more of it trying to fix an unfixable situation.

However, if there appears to be mutiny in the ranks, disengagement, or hostility among the staff, the problem needs to be identified and swiftly handled for the sake of superior workers and plugging the proverbial leak in the dam of under-productivity. It is like the bad apple theory: one bad apple spoils the bunch.

Identifying a problem employee and swiftly handling it with dignity and fairness will boost the rapport of the remaining staff. In a small retail environment or in a highly specialized field where workers rely on each other for production, this rapport is significantly important. Workers do not want to have to place trust on someone to help or finish a project or effectively help out a client when they know this person is a known trouble-maker. Instead, they may try to skip that step all together or try to work it out on their own. This may cause an unhappy customer because their service or product was not delivered complete, or parts of it were done unskillfully.

The Numbers Don't Lie

The number-crunchers at Gallup in a 2004 report reveal that, out of the employees who are extremely satisfied with their job, more than half also believe "their organization encourages close friendships at work."

Adversely, out of the employees unhappy with their job, "80 percent strongly disagree that their relationship with their manager is one of their strongest personal relationships." This highlights the fact that a positive relationship between manager and employee will support workplace satisfaction.

Talk to anyone about his or her job and the topic often will include how he or she feels about his or her co-workers and the management. Within moments, one will know if they are happy or unhappy with where they work based on the relationships they discuss in the workplace.

Loyalty Equals Growth

In his book "The Loyalty Effect," Frederick F. Reichheld (1996) defines a company's most valuable asset as their employees, or human capital. "Disloyalty…stunts corporate performance" as much as 50 percent or more, says Reichheld.

Employee dissatisfaction will destroy loyalty; a disloyal employee will be highly likely to quit. Weeks, months, or even years of training walk out the door with them. Smart business owners will realize high profitability margins by motivated employees who are engaged, loyal, and satisfied enough to stay.

Part of this will be enhanced by positive relationships at work. Customers love to go into retail stores or service type businesses where the employees aren't just "fake" happy, but really happy. Consumers are usually very discerning about such things and a happy store will be one that they return to often when the service and products are what they like.

The Golden Rule

It's all good and well to link productivity to employee satisfaction and a non-hostile work environment, but owners and managers who are not the "touchy-feely" type may wonder how to accomplish this without getting too deeply personal with their workers.

Create a positive work environment by following (and insisting every one else follows) the golden rule: treat people as you would want to be treated. This takes pressure away from a small business or minority business owner who may not be comfortable with physical or emotional displays of affection with their employees.

Respect your employees; they will follow suit. This will be an important second step in turning around workplace dissatisfaction after terminating a worker who has caused a negative atmosphere. The first step of terminating an offending worker will automatically increase the manager's credibility in the eyes of the employees as long as they understand the reason for the termination and the termination was performed in a respectful manner.

Terminating with Respect and Dignity: Minimize Workplace Disruption

Is it possible to fire someone in a dignified manner? Absolutely. A manager cannot control the response of the terminated employee, but he or she can control themselves in the situation as well as the circumstances surrounding the process.

Once the problem employee is identified, take logical steps to take care of the situation as efficiently as possible: neither be rash nor procrastinate.

Start by gathering the important documentation or forms necessary that will either need to be signed or provided. The time to search for these documents is not after the employee has been notified of his or her termination. The conversation should take place in a private area, close to an employee entrance, and with a proportionate number of genders for witnesses.

For example, if a woman is the owner and manager of the business is firing a male employee, it would be best to have another male present. However, do not make the mistake of choosing a peer co-worker of the person who is being terminated. If you have only a few employees and no other managers, you may want to seek outside assistance from another local small business owner or perhaps an attorney.

In order to minimize the impact of the unpleasantness of the termination, minority- or women-owned small business owners will want to gather their employees as soon as prudently possible. It is important that he or she discuss with the workers why the employee was terminated without compromising any privacy issues.

Particularly if the employee was causing a major disruption in the work and lives of the other employees, this will build respect and loyalty of those who remain. They will see first hand how the owner or manager is willing to take care of good employees and protect their work environment.

The Bottom Line

The bottom line is that women and minority owned business and small businesses alike are greatly affected by the engagement and loyalty of the people they employ. A business cannot grow and succeed without this important factor.

Enhancing workplace positivity, minimizing negative disruptions from poor employees, garnering mutual respect between owner/managers and employees all work in tandem with a good product(s) and/or service(s) in order to find success.

ATTRACT, DEVELOP, RETAIN:

HOW TO WIN TOP TALENT IN DEVELOPING MARKETS

DOES YOUR COMPANY HAVE WHAT IT TAKES TO WIN INTERNATIONAL TALENT WARS?

By Dave DeSouza

In the global war for the next superstar talent, traditional western-style recruitment and retention models are losing out. Superimposed on developing markets, they fall flat and clash with the complex realities on the ground. To recover momentum and win, businesses have to look to localized models and customized solutions to make a difference.

It's not an easy transition. Firms have spent billions developing organization-wide talent management programs they expect to be able to use universally. In this mindset, 'tweaking' the system creates inequalities and conflict. However, to attract and develop the best talent in hot emerging markets, savvy businesses will just have to adapt.

Becoming the "It" organization

In each emerging market, there are certain firms that are consistent magnets for top talent. Ambitious, skilled, and diligent workers seek them out and stay with them once they manage to gain entrance to the company of their dreams. As a result, these firms enjoy retention rates that are better and churn rates that are significantly lower than their competitors. How can your firm join that club?

There are three ways to get there. You need to be: proactive with opportunity development for new hires; flexible with talent management processes; and hooked into key local organizations.

Being proactive with opportunity development is a departure from the reactive entrance of many multinational firms to emerging markets. They swoop in thinking they're behind the curve and run around at warp speed chasing yesterday's issues and trying to scoop up yesterday's proven stars. This is a turn off for the next generation of engaged, competent performers. They're looking for dynamic firms with a forward-looking orientation around opportunities, and most are hungry for risk, as it is a way to prove themselves as leadership material. Instead of rushing around trying to lock talent into plodding, 'safe' development programs, businesses would be better served by using rapid deployment to the frontlines that will give your firm the desirable reputation of a company that lets talent be where there's action.

Next, it's important to be flexible with talent processes. Annual incentive reviews and two-year development programs don't work in markets where top performers can get multiple raises each year or hop up the ladder by switching firms annually. To attract and hold 'hot' performers, your firm needs to build flexibility into its systems to adapt to actual ground conditions. This often means granting managers more leeway, and it requires acceptance of local departures from multinational processes. The payoff is that potential employees can see that your firm isn't holding back from real investments in local talent growth and isn't slow in rewarding talent who performs above expectations.

Finally, to win respect and talent loyalty before anyone else, your firm needs to build partnerships with local, relevant organizations. What's the local equivalent of a Young Professionals Network? Which universities have stu-

dent clubs centered on your target competency? What civic or charitable groups are active in your recruitment area? Tapping into these networks as a partner, sponsor, or consultant builds real roots in the community, helping emerging talents think of your firm first when they make their career plans. It also enhances the face, reputation, and status of your firm with local families, an increasingly important issue in multicultural markets. When your job holds status, it becomes an intangible advantage in the face of increasing competition as you'll get first look at emerging leaders.

Companies That Win

Companies who do this well include Standard Charter Bank and TCS Iberoamerica. These firms beat their competition through a mix of targeted local investment, authentic involvement at the local level, and flexibility as they navigate the marketplace.

Standard Charter Bank (SCB) operates world-wide, employing 87,000 people, half of whom are women. Collectively, the firm manages 130 nationalities, but has been making key strides in Asia by promptly moving incoming talent to real-time opportunities. They also provide new hires with a cultural bootcamp to ensure alignment with the company's values and provide polish to raw incoming talent. As a result, the firm has lowered its attrition rate by three percent even as rivals face greater turnover.

TCS Iberoamerica is a division of Tata, which provides consulting in Latin America, Spain and Portugal. When they launched operations in South America, they sent an advance team to identify admired local leaders, who were then tapped as executive talent. This instantly put the company in connection with inspiring members of the community who proved to be magnets for top local talent looking to connect with a dynamic, upwardly mobile firm. The company won the hearts and minds of local leaders outside the company for not importing the top team straight from India. The firm also set a precedent for how it would treat local talent, which was a significant recruitment advantage moving forward.

Fighting to Win

It's clear that getting and keeping the best takes time and investment. Hyperactivity in emerging markets makes waves, but doesn't necessarily help your organization get ahead in the talent game. Instead, your firm needs to pull back and assess whether each action in a tough talent marketplace is really helping you win the war.

Newer challenges will emerge as the world continues to flatten, especially as connective technology accelerates the talent arms race. This is not a cause for despair. In a world of instant opinions and sharing, firms that are committed to their markets and put that message out consistently drown out shallow promises and empty recruitment chatter.

No matter what the future holds, companies that are strategic with how they position themselves in the talent race will continue to lead. By being proactive around opportunity development, building flexibility in talent management, and hooking in to local talent networks, your firm can create an edge today that will help you win the best talent now and keep them for years to come.

Sustainability

Triple Tags Manufacturing

Sustainable manufacturing turns product lifecycles, and not just end-products, "green". It is the next stage in the evolution of sustainability certification.

- By Wilfred Smith

Children play a game called "Tag! You're It!" in which they run around and try to touch or tag someone. Sustainability has been a bit like that game because it has tagged different stages of the product life cycle like retailing (plastic vs. paper bags) and landfills (recycling) and consumer buying practices (organic vs. synthetic fabrics). However, it has been a piecemeal approach in the past. Now sustainability has tagged manufacturing, and it is going to change much more than just the way products are assembled.

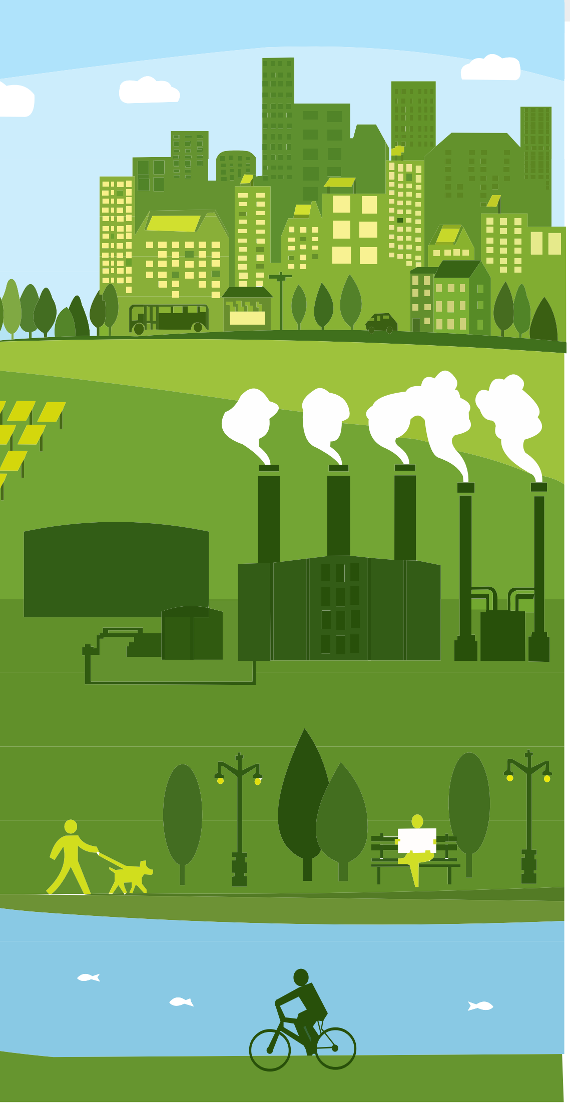
Sustainable manufacturing in its largest sense is about considering every stage of a product's sourcing, production, sale and final disposition. It is a triple tag with one tag for using sustainable materials, one tag for sustainable manufacturing of products, and a third tag for sustainable disposal of products at the end of their life cycle. The reward for success for some companies is the results of a new concept which is sustainable business capital. Manufacturers participating in environmental sustainability make decisions about materials sourcing, inputs into the manufacturing process, assembly practices, and re-inputs or recycling that are intended to consider the present and the future of the environment and further manufacturing processes.

"Tag! You Win!" Environmental, Economic and Social Benefits

Sustainable manufacturing refers to two distinct activities. The first activity is the manufacturing of sustainable products. The second activity is the more comprehensive sustainable manufacturing of products. The second activity addresses where environmental, economic and social inputs to production intersect. For example, does the manufacturer buy raw materials from suppliers who pay fair wages? Are products made from materials that can be recycled into new products? Are manufacturing plants designed to minimize industrial raw material consumption? Does raw material extraction at the supplier level preserve the environment while providing economic benefits to the local area? What are the effects of the manufacturing waste from raw material extraction, manufacturing processes, distribution, and final use? Does waste cause surface or ground water contamination, soil contamination or air contamination? Does the manufacturing process waste cause social problems like health or sanitation issues?

The Institute for Market Transformation to Sustainability (IMTS) has a vision of achieving a sustainable world through best product manufacturing practices and investments by capital markets. The SMaRT certified rating system, the leading global sustainable product standards and labels, evaluates companies based on their life cycle environmental performance in the production of sustainable products in the building, apparel, fabric, textile, flooring, and agriculture industries. The goal is to promote business operational performance that incorporates environmental and social performance.

SMaRT standards certify companies for meeting goals during product stages of manufacturing and supply chain processes. The goals for suppliers and manufacturers include achieving a 100 percent reduction of more than 1300 pollutants, using 100 percent of renewable power, incorporating 100



percent post consumer recycled or organic biobased materials, adding 100 percent reuse or product reclamation, and including social equity considerations in products.

Product reuse and end-of-life management are two features that make sustainable manufacturing so different from manufacturing sustainable products. A business can get points for using renewable energy, energy efficiency, and use of biobased or recycled materials. However, there are also points for how well a product or product parts can be reclaimed, reused and/or recycled at the end of its life. There are points given for innovation in this area based on exceeding a 30 percent product reclamation rate, plus an innovation category for dematerialization and energy efficiency programs. This opens up new opportunities for innovative manufacturing supply chain participants.

Certification according to the SMaRT Building Product Standard requires meeting stringent standards. The process begins with completion of an application to the IMTS. Using a rating system that also meets the Leadership in Energy and Environment Design (LEED) standards, a manufacturer can qualify for progressive achievement levels beginning with Sustainable and then continuing through Silver, Gold and Platinum.

The benefits include making contributions through business practices to the physical and social environments and achieving economic benefits. The certification process standardizes the market definition of manufacturing sustainability and promotes life cycle performance sustainability rather than one-time manufacturing of sustainable products.

There is a saying, "follow the money," and that applies to sustainability. There must be a connection between profit and environmental protection for sustainability to work over the long term, and that is where the Capital Markets Partnership enters the picture.

Financial Incentives

Sustainability is, unfortunately, sometimes viewed as a threat rather than an enhancement to profit making. However, sustainable manufacturing is a value adding proposition. For this reason Capital Markets Partnership (CMP) has developed a plan for "commercializing sustainable investment." As a nonprofit coalition of investors, banks, insurers, governments, countries and NGOs, the group is focused on shifting investments to sustainable manufacturing. The commercialization comes from the fact that sustainable investments have less risk, are more profitable, and are sought by institutional investors. A sustainable manufacturing 'tag' means a business has considered much more than just producing product for profitability.

The Capital Markets Partnership (CMP) National Consensus Sustainable Manufacturing Underwriting Standard's Green Value Score provides financial incentives to those companies that meet certain 'green' conditions. The basis for the incentives is that manufacturers that meet established standards have higher financial value. They will see increased profits, higher share value, and lower risk, all of which will be recognized by the major banks and the major stock exchanges. A higher value is given for an increase in the use of green power and for energy reductions using conventional energy; increases in pollutant reductions; and an increase in reuse of materials, thus limiting disposal risks. A manufacturer must have at least three product lines that are certified green.

The companies that meet the standards may then seek capital through Green Convertible Securities (GCS) as debt or equity. The Green Value Score that ranges from 25 to 100 qualifies a manufacturer or retailer interested in raising capital as a green business. Incentives for manufacturer's include the 'Sustainable Investment Products' offering lower finance rates, higher credit and bond ratings, higher financial returns, and discounted insurance to businesses that achieve higher sustainability levels. For example, a business that attains a higher LEED certification level would see a drop in interest rates on debt.

Green building standards have been established and accepted by the market for many years. Folding in manufacturing makes sense because of its critical impact on the environment and thus society. Protecting the environment is the right thing to do. Offering financial benefits to manufacturers for doing so provides additional incentives that make a business case. Tag! Manufacturing, you are now it!

CORPORATE GOVERNANCE
IN A GLOBALIZED BUSINESS ENVIRONMENT

- By Peter Scott

Normally a discussion of corporate boards and governance would focus mostly on structure and established responsibilities for general business oversight. However, the recent financial crisis, the emergence of transitioning countries and globalization of the business environment is generating discussion of corporate governance in terms of ethics. Talking about corporate governance models in Europe and the United States today is a bit like discussing a moving target because of the combination of significant changes going on in the business world. Despite the economic environment changes, there are issues so basic they remain important at any time. Business ethics is one of those, and it's a topic of importance to both European and American boards.

Understanding Board Structures

In Europe, there are two basic board structures that are called unitary and two-tier. The unitary structure is found in common-law countries like the United Kingdom, Ireland, Spain and Greece. The two tiered structure is used in Germany and Austria. France has a legal board structure that is called "conseil de surveillance" or Supervisory Board. Some countries, including Portugal and Italy, can choose between unitary or two-tiered structures and may have executive and non-executive boards. American companies rely on a unitary structure and all corporate power rests with a single board.

Companies conducting global business need to understand the variations in board structures because corporate governance responsibilities can vary also based on the structure and the country's laws. Internal governance refers to the Board of Directors and its committees, compensation programs and control systems. External governance refers to the laws, regulations, accounting rules and shareholders. The relationship of all these factors can be complex and ultimately impact corporate performance.

Generally speaking, Europe has been going through a process of deregulation to adapt to the globalization of capital markets. European boards have been moving away from behind-the-scenes governance to a system that is more transparent in order to increase accountability and standardization for the comfort of global investors. The increased transparency is also a product of the economic crisis. In the United States, expanding external governance is the trend as the government attempts to find ways to increase corporate transparency through stricter reporting requirements to prevent the kinds of problems experienced during the recession. These problems included risky investments by corporations that shareholders were not aware of, exorbitant compensation given to managers despite enormous company losses, and a number of ethical lapses such as managers using 'insider information' to make investment decisions for personal profit.

One of the main differences between European boards and American boards concerns who exactly the boards should protect. Some boards in Europe may actually include employee representation, work to balance minority shareholder interests against majority shareholder interests and govern issues concerning creditors. American boards are more focused on dealing with issues that arise between internal management and majority shareholders. Employees are not included on boards except in the case of where the Chief Executive Officer (CEO) is also elected Chairman of the Board.

Conflicts of Interest

A Board of Directors is accountable to shareholders under any structure. However, the structure of the boards can lead to conflicts of interest and mostly as related to the relationship between the board and the executive management, and the control of majority shareholders. In single board structures, like that in U.S. companies and the U.K., board members are free to determine management authority and compensation with no oversight, and are not required to include labor representation. In a two-tier system, like in Germany, where there is a Supervisory Board and a Management Board, the board powers are defined by law.

In the two-tier system, monitoring of business functions and business operations are separated. Using Germany as an example again, the Management Board is responsible for operations and the Supervisory Board is responsible for monitoring.

In the U.S., a single board has direct power or power through its control of management for both monitoring and operations. When majority shareholders then sit on the board, it is easy to understand how the misuse of power and control can lead to many of the ethical lapses discovered during the recent economic crisis.

Board Roles and Responsibilities

Though it's important to recognize and understand the differences between boards when operating globally, there are certain responsibilities that every board assumes. They include defining the company vision, establishing strategic initiatives, ensuring the organizational structure supports the initiatives, delegating authority to management, establishing accountability to shareholders and stakeholders, establishing management compensation and exercising power in an ethical and responsible manner in the interests of the company. Board members are never supposed to act in their own interests and acting ethically means performing roles with integrity, monitoring the integrity of management, promoting company values and preventing corruption and fraud.

Price Waterhouse Coopers did a survey of the SPF 120 (the French stock market index) board directors in France and the directors of 650 top tier companies in 16 European nations. The results are interesting and informative. Approximately 59 percent of SBF 120 directors believed ethics and the financial crisis are linked; yet 46 percent of the directors believed that ethics is management's responsibility. Thirty-five (35) percent of the SPF 120 directors believed ethics are the responsibility of the board, while 19.5 percent believed ethics are a shared responsibility between management and the board. Ninety-eight percent of the European chairmen and directors surveyed in 16 countries believe that business ethics are meaningful, while 72

percent believe management integrity is of prime importance.

Despite the variety of board structures, there is no perfect one that can prevent ethics violations or outright misuse of power or business assets. Since ethics refers to standards of behavior, there is always responsibility placed on each director, manager and employee to make the right decisions. There are some steps the board can take, though, to improve ethics oversight. First, the board should develop and promote a corporate culture based on core values that promote ethical behavior. The board should also monitor and review incidences of misconduct, fraud or corruption within the organization, and take steps to ensure that policy changes are instituted and enforced as necessary. As the monitoring group, it is the board's duty to require management reporting on strategies taken to ensure compliance with regulatory guidelines and requirements. The board is also tasked with ensuring that transparency of financial matters and executive decision making is maintained.

The board of directors also has the power to ensure that management performance evaluations and compensation reflect ethical standards. This harkens back to the public and government outcry over CEO's of large corporations earning multi-millions in compensation during the recession despite heading companies reporting losses. One approach board members have taken is creating a position like an ethics officer or a director who reports to the board as opposed to management - similar to an auditor position. Boards are also creating committees responsible for ethics monitoring.

Management Should Assist the Board

Management can assist the board with understanding their roles in promoting and monitoring business ethics. Regularly reporting to the board on ethics policies, implementation strategies and violations is recommended. Some corporations place ethics reporting on the board agenda once a year, which relegates the topic to an unimportant status. Management can also use a variety of resources to identify areas where ethics violations are most likely and include those areas in the report as a minimum to increase visibility. Strategies include ethical risk mapping and developing whistle blowing systems that protect employees from retribution when reporting ethics violations. It is also up to the manager to keep the board informed of changes needed to the code of ethics as the business expands, gets involved in new activities or changes the way it does business.

In the final analysis, ethics monitoring is a joint responsibility between the Board of Directors and management. Ethics violations and corruption harm corporate reputation, lead to a loss of business contracts, and distort the business operating environment and competitive market. Preventing and detecting ethics violations should be a priority in every business of every size because ethics violations have no limits in the damage it can do to a business.

UK

Super Diversity Creates Super Workplace Challenges

UK companies pursue diversity despite a push in the country for more restrictive immigration reforms.

- By Sadiq Yusuf

In 2005, the British Broadcasting Company Corporation (BBC) did a study that charted the path of immigration to Great Britain. The BBC Born Abroad project revealed some surprising information that was obtained from the Census data and the maps and data prepared by the New Immigrant Communities study. One of the most surprising results was the fact that immigration had greatly expanded and people were coming from places other than Asia and the African-Caribbean, as was popularly believed by British citizens. Dubbed 'super-diversity', the current immigration policies and patterns had set the U.K. on a path that would lead to a rich mosaic of citizens with different ethnicities, languages and religions.

However, the report made clear that immigrants must be identified by much more than just simple demographics like place of birth because how they came to the country often impacted whether they were able to work, the kinds of jobs they were eligible for, the type of housing they could find, and the public services they could obtain. When the European Union was formed, a new wave of immigrants arrived, too. EU nationals do not need visas or work permits to work in the United Kingdom and so just melt into the workforce. In addition to the EU migrants, England has given work permits to immigrants from 30 countries who represent workers with global businesses or who have special skills needed in the country.

Seven years later, the news is that the U.K. government has introduced immigration reforms that are intended to reduce the numbers of immigrants to the country, so work visas were reduced by 8 percent and student visas by 21 percent over the last 12 months. The business people and industrialists are asking the government to not reduce the work visas because it will impact the ability to find skilled labor and will discourage foreign investment. The U.K. court has ordered the reforms to be debated further in Parliament but they are currently in effect.

Employment Balancing Act

In this kind of environment, diversity takes on new meaning in the workplace. The recession created a situation in which U.K. citizens are having trouble landing jobs and find themselves competing with immigrants and migrants. A history of welcoming open arms towards immigrants is now turning into resentment over the diversity in the country. An atmosphere of exclusion presents new challenges to companies hoping to bring more diversity, and not less, to the workplace because it has been shown again and again that diversity brings improved business outcomes. Yet businesses are in the uncomfortable position of promoting diversity without alienating its stakeholders.

One of the main differences between the European concept of diversity in comparison to diversity in the U.S. is that the U.S. focuses on a workforce balance based mostly on race and ethnicity. Countries like the U.K. have concentrated on nationality (place of birth) and immigration status. U.S. companies hoping to do business in the U.K. or to expand workforce diversity must first recognize this different perspective. A common factor is that the U.K. and the U.S. both consider gender, so balancing the male and female ratio is part of the overall strategy.

Aggressively Pursuing Diversity

The approach to diversity taken by local and multinational companies has varied.

PepsiCo U.K. is a leader in diversity and inclusion. The company's executive management firmly believes that its competitive strength is found in a diverse talented workforce. In 2007, the company implemented Appreciating Difference workshops that all U.K. managers are required to attend. The workshops raise awareness of the different aspects of inclusion and also provide definitive structure for the managers so diversity is not left to chance or unconscious bias. PepsiCo U.K. also established a U.K. Diversity and Inclusion Council to ensure that diversity and inclusion strategies are delivered U.K.-wide and are always relevant to the changing business environment. In addition, PepsiCo U.K. established a formal mentoring program for Ethnic Minority Businesses (EMBs).

PepsiCo U.K. has earned a number of awards for its efforts and success. The company was named the 2010 Corporation of the Year by the Minority Supplier Development U.K. (MSDUK) council. The company has also been awarded The Next Step Diversity Mark for its commitment to diversity at all staff levels from senior management to the general workforce.

Another diversity leader is Capgemini U.K. plc, with over 120,000 people working in 40 countries. The company is involved in consulting, outsourcing, technology and local professional services. The management is firmly committed to diversity and hiring and developing people based on talent only. Capgemini has taken many positive steps to increase its diversity. They include working with the National Works Council to regularly review the official Diversity Policy; monitoring performance reviews and promotions for signs of bias based on ethnicity or gender; regularly reviewing barriers to employment that are real or are perceived as barriers by job applicants or employees; and providing employee and manager training.

Networking plays a big role in the Capgemini diversity program. The company officially recognizes two internal networking groups – Women's Business Network and OUTfront, which represents gay, lesbian, bisexual and transgender employees. Company representatives also participate in a variety of outside organizations dedicated to promoting diverse hiring based on gender, race, disability and age.

J Sainsbury plc is a supermarket and convenience store chain established in 1869 and diversity and inclusion has been embedded in the culture since its inception. However, it has taken an even more active role in promoting inclusiveness in the last few years, including expanding the traditional U.K. definition of diversity. The company launched a Diversity Champion program last year with 140 mangers participating. This sterling program has a broad agenda that includes gathering feedback on aspects of diversity, providing input to program development, driving improvements in all diversity areas, increasing community presence, and supporting workers who combine careers and community activities. The You Can program launched in 2008 works closely with special needs employees that include the disabled, long-term unemployed, offenders and military veterans. The program recruits the employees and then mentors and develops them to ensure they have every opportunity to succeed. J Sainsbury has also initiated efforts to employ those with a learning disability by working through Mencap and Remploy, agencies that work with the disabled.

No Turning Back

The British Chambers of Commerce issued a report in December 2011 that 60 percent of employers must hire migrant workers due to a lack of skilled U.K. workers. This is despite an unemployment figure that has reached a 17 year high. Approximately half of the workers are coming from outside the European Union. PepsiCo U.K., Capgemini and J Sainsbury are included among the companies hiring migrants and immigrants.

Bringing diversity into the U.K. workplace is a priority for many companies. Yet, like most countries, diversity and inclusion are complex topics that involve so much more than just hiring or training. However, it is clear that U.K. migrants and immigrants play a critical role in U.K. business and economic success. It is also clear that businesses are pushing ahead with aggressive diversity initiatives. In the U.K., there is no turning back, even if the government limits immigration.

By Karen White

INNOVATIONS IN TECHNOLOGY: CONVERGING AND EXPLODING A NEW FUTURE

Converging technology is driving consumer demands for information and services, business innovation and new models for marketplace delivery. Taking advantage of this technology explosion will require an increasing number of alliances to meet marketplace demands.

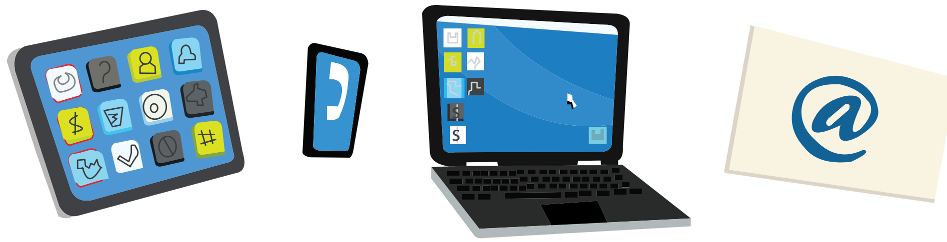
Futurists predicted that technology would continue to advance to the point where it would become so integrated that it would eventually converge into a single device able to manage multiple functions related to daily life. Since the introduction of laptops and enhanced mobile phone technology, the explosion of new devices and capabilities is nothing short of a revolution. Tablet computers, Kindles and Nooks, mobile web, and smartphones are becoming integral to doing business because they enable companies to reach out to customers in all business areas including sales, marketing, and customer service. A whole new level of interaction has been established, and that is the core of the changing business model.

One of the most astonishing changes brought about by digital convergence could simply be called "equalization." The ability to reach customers whether they are at home, work, the gym or walking down the street, and to do so with audio, video, text or web, is making an enormous difference in how business is conducted. Central to this revolution is the increased level of access and interaction capabilities. Convergence refers to the reduction of distinctions between previously distinguishable digitized information and impacts formats, applications, services and business models. The evolution toward blended information and technology has stimulated creativity, increased productivity, promoted rapid innovation and created a new digital-based economy. The availability of convergent mobile technology encourages content creation, leading to improved product and service development, collaboration, communication and a host of other benefits.

The Joys and Pangs of the Marketplace Evolution

Though the convergence movement has created a business environment that is open, accessible and interactive, it has also put added pressure on businesses. The business must decide which business model to adopt to best take advantage of the technology. The industries that have been most influenced to date include the entertainment and publishing industries. For example, print books are disappearing and digital books are rapidly being accepted. In fact, major book chains have been converting their inventory in brick-and-mortar stores to other types of inventory like games, coffee cups, movie DVDs and music CDs. Hard print book publishers are struggling with a market transitioning from traditional print books (expensive) to reading published materials on e-readers like the Kindle or Nook (inexpensive). The music industry was the first to suffer the pangs of technological evolution when songs became downloadable and shared with a couple clicks of the mouse.

The new technology has made it possible for people to take more control of the production of products and services, thus increasing competition. For example, consumers can write their own downloadable ebooks and publish online. The big publishing houses have found themselves competing with people working from home who could write, publish and market their own books. The same is true across the board in the entertainment industry. Films, videos, music, and gaming are accessible, downloadable and mobile. Businesses must to find a way to compete with the accessibility the new technology brings and the wealth of new products



and services offered online by people and businesses they least expected to find themselves in competition with anytime soon.

The entertainment industry is not the only business area revolutionized by convergent technology. Educational services, business development and training, banking, and website and internet content developers are just a few of the industries being radically changed by convergent technology. For example, small businesses can now accept off-site credit card payments for orders using mobile credit card processing on their smartphone, after showing customers product listings on their smartphone. Small business owners or employees can leave their brick-and-mortar locations and personally complete business transactions on the spot, increasing cash flow and opportunities.

The supporting new business model that takes advantage of convergent technology removes IT silos making organizations become more horizontal. However, the changes are more extensive than simple organizational flattening at the corporate level. Web based systems sharing involving marketing and service partners are leading to intensified formation of alliances between multiple businesses of all sizes, strong vendor and partner associations and negotiations, transaction based revenues, and optimization of the value chain on the supply and demand side. Customers can provide product reviews and comments on the spot or make instant purchases using their smartphones, forcing changes in marketing and sales strategies.

Choosing Partners Wisely

Minority business enterprises (MBEs) can get ahead of the new technology trend by identifying the business partners that can fill technology, marketing and service gaps in their own businesses or assist entrepreneurs, business owners or corporations working to bring new products and services to the market using convergent technology. For example, an MBE may produce films or webinars but needs experts to write apps for mobile technology, and can search for those alliances on a global basis and serve customers on a global basis. The high degree of inclusion is promising unlimited opportunities.

In addition, MBE suppliers have opportunities to play a larger role in corporate product and service development by approaching the corporate customers with innovative ideas that make use of the new technology. In fact, one of the important impacts of convergent technology is the strengthening of the role of suppliers in the supply chain at the negotiation, marketing and sales levels. In other words, convergent technology is driving industry convergence, service convergence and device convergence, and all three demand increased collaboration.

The new business model has multiple stakeholders driving the market. MBEs that want to take advantage of the new economy first need to re-evaluate their current use of technology for engagement of customers, suppliers and the marketplace. Convergent technology has raised the bar high, and its evolution is not over yet. The predictions are that by the year 2015, people will rely on one media device that can be used as a mobile phone, computer with laser projected keyboard, projection television with on demand shows, e-reader, camera and camcorder, and game player.


Pickled herring


Gløgg


Medisterpølse


Hønsekødssuppe

Danish Recipes

Call For Two Parts Tradition and One Part Fairy Tale

By John Jacobs

Sitting down to a meal representing authentic recipes from Denmark is an adventure. Their unique recipes dish up a delightful and eclectic mix of ingredients.

Filled with majestic castles, Denmark is a magical, mischievous land of fairy tales, trolls and elves. It is also an industrious country with Danes having a long history as Stone Age farmers, as then adventurous seagoing Vikings and heroes during World War II after operating an underground resistance movement that saved hundreds of Jewish citizen lives. Today, Denmark is a dynamic society of lively people who enjoy social gatherings and time with family and friends during which food is a centerpiece. The industriousness of Danes is reflected in the fact that the term "fast food" has no place in a description of authentic cuisine. To give you a clue as to the importance of food and cooking to the Danish, you just need to know that Danes have an expression that says, "Never trust a skinny Danish cook!"

Too many people associate the Americanized gooey, sugar and cheese filled pastries with Danish food, and that does not begin to do the real pastry justice. The American version of the "Danish" is really a bit of poor relation to the true pastry called a Kringle. The Kringle is a thin soft pretzel-like Danish pastry made with butter layered yeast dough folded over nuts, raisins, fruits or other fillings. The authentic old country version is shaped like a pretzel and is still served that way in Denmark. For large gatherings, it can be formed into a circle and cut into as many as 12 pieces, though this shape was first adopted by cooks in America. As you let the delectable dough melt in your mouth, it is a reminder that authentic recipes are often quite a bit different from adapted versions. The pastries are topped with sugar, chocolate or icing, making the experience complete.

No Shortcuts Allowed

Authentic Danish recipes are cooked from scratch, whether it is at home or in a restaurant. That reflects the history of Danish cooking that involves recipes using fresh farm ingredients and relying on the skill of Danish cooks. Surprisingly, some of the most famous dishes are actually more like open-faced sandwiches. The smørrebrød is made with a variety of breads, but some connoisseurs believe that rye bread should be chosen over pumpernickel or white. Rye bread has been part of the Danish cuisine for over a thousand years and is served at all meals. If the smørrebrød is made without shortcuts, a thin slice of bread is first buttered and then piled high with lettuce, meat or seafood and cheese. The pile of ingredients is then topped off with one or more garnishes of choice.

Obviously, the smørrebrød is made to suit the diner's preferences. The choice of ingredients is endless. In the land of the seafaring Vikings, many recipes include herring, crab, shrimp, oysters or salmon. However, meat lovers will be happy to know you can also build a smørrebrød with roast beef or lamb. Leverpostej (liver paste) is a popular sandwich spread made with chopped pork liver, onions and lard. There is also an endless choice of cheeses, once again reflecting the farming history of Denmark. Cheeses include some you have probably tried, like havarti, esrom or Danish blue cheese. However, there are other delectable choices like danbo, Danish mynster or tybo. At a social gathering, the ingredients are laid out buffet style on a koldt bord (cold table) so you can build your own smørrebrød.

Take an Adventurous Food Foray

If you are getting the impression that Danes like variety, you are right. If you are getting the impression the Danes eat mostly open-faced sandwiches, you would be very wrong. The cold weather of Denmark has led to a rich variety of hot foods that include pork, beef and poultry, reflecting its farming history, and fish, reflecting the seafaring culture. In the past, before refrigeration, the meat, fish and fruit were often smoked or pickled for storage, which explains why these types of foods are still popular today. A traditional meal will offer dishes like fried, pickled herring, smoked herring, or pickled beets with bone marrow.

The delightful names of some of the Danish foods remind you of Denmark's mischievous element. For example, the frikadeller is Danish meatballs which can be served with a traditional brown sauce. Sauces are not meant to smother the food flavors. Instead they are designed to enhance them. The brown sauce is used in a variety of dishes. though. For example, the Medisterpølse is a spicy pork sausage served with potatoes, cabbage and brown gravy. Forloren Hare (mock hare) is spiced minced meat with brown sauce, and Hakkebøf is a hamburger steak, fried onions, sour cucumber and brown sauce.

It is typical of a cold climate that so many dishes include meat. Traditional Danish recipes are designed to provide the nutrients hard working industrious farmers and Vikings needed in a cold climate. That can leave you with the impression that Danish food is filled with fat, which is an unfair assessment. Restaurants use lean meats and healthy fish like salmon in their recipes. In addition, there are plenty of lighter Danish meals like Hønsekødssuppe, a chicken and dumpling soup with vegetables and small meatballs, or Amagergryde, a pork stew filled with a variety of hearty vegetables.

Always Out of the Ordinary

For those with a sweet tooth, the Danes also dish up old country desserts like red berry pudding in the summer, rice pudding with cherry sauce during the holidays, and Øllebrød any time of year. Øllebrød is made with rye bread, mild beer, sugar and whipped cream. That brings the discussion of Danish food to Danish drink.

It is no secret that Danes appreciate an alcoholic drink with meals. Akvavit is one of the most popular drinks and is vodka distilled from potatoes, which


Smoked herring


Leverpostej


Smørrebrød


Hakkebøf

are plentiful in Denmark. Also popular is beer and a cherry flavored liqueur. Around the holidays, the Danish drink is Gløgg is served, which is a potent mix of Burgundy wine and Akvavit with cloves, cinnamon, almonds and raisins. However, you do not have to drink alcohol with your Danish meal. Denmark is also quite fond of coffee, so a nice hot cup of coffee matches well with the main course or desserts.

The amazing range of flavors in Danish cuisine makes a meal interesting and surprising. The food is as hearty as the farmers, as adventurous as the Vikings, and as mischievous as the elves. There is nothing ordinary about Danish recipes, and the flavors reflect the amount of time and effort that must be put into making the meals from scratch. Whether you visit Denmark or eat at local restaurant serving authentic Danish recipes, one thing is for certain - you are sure to feel a bit mischievous yourself by the end of the meal. Fortunately, you can blame it on the Akvavit.


Rice pudding with cherry sauce

Diversity in China Shakes Up Traditional Western Concepts

- By James Hsu

As China becomes more transparent, Western countries investing in its progress have an opportunity to broaden their perceptions of diversity.

The Former People's Republic of China remains an enigma because the government is usually not willing to publicly discuss social and political issues. Instead, the country privately deals with its internal issues and does not spend time much time comparing itself to other economies or workplaces except in terms of GDP. China takes pride in its cultural purity and largely homogenous population, so the outside world tends to view the country as lacking diversity, which is not true. China has a large number of ethnicities and extends its definition of diversity to include factors like class, education, political associations and religious beliefs.

People's Republic of China (PRC) President, Hu Jintao, introduced the concept of a harmonious society (hexi shehui). This concept was a vision for a country that was rapidly becoming a global business partner and world participant and was added to the 2006-2010 five-year plan and the Chinese Communist Party constitution. It is necessary to understand the concept of harmonious society to appreciate how China views diversity and how it deals with diversity tension. The concept is broad and inclusive and says a harmonious society is, "Democratic and ruled by law, fair and just, trustworthy and fraternal, full of vitality, stable and orderly, and maintains harmony between man and nature." As a social, cultural, environmental, political, and geographic, as well as an economic concept, harmonious society is designed for a China that is converting from governmentally planned to market based.

Though the Chinese are homogenous as Asians, they are as diverse as other countries with open immigration policies. However, diversity is not based on race but rather in the different ethnic groups residing in the provinces and regions and these differences can be stark. The Hans account by far for most of China's population, but there 56 ethnic group officially recognized by the government. Forty-four (44) of the 56 groups are a majority in their respective regions, and there are regions given recognition through the government designation of Minority Autonomous Status. The largest ethnic minority groups are the Zhuangs, followed by the Manchus, Huis, Miaos, Uyghers, Yis, Tuhias, Mongols, Tibetans, Buyeis and Koreans. The diversity extends throughout this massive country except on the eastern coast.

The Fifth Generation Bring Diversity Issues to the Forefront

Interestingly, driving interest in diversity has been the emergence of the 'fifth generation' professionals of varying backgrounds that make up a collective leadership form in the government. The first four generations represent the rigid governmental dynasties. This has led to a less structured decision making process as various factions representing the diversity of China participate in government, and in effect, lesson the power of the ruling elite. This is a factor in the ongoing tension between the government and the military – a tension that democratic nations do not really understand.

As in business, leadership flows downward to influence how its constituencies respond. The people now ruling China represent a variety of sociological, professional and economic backgrounds. Diverse political and demographic leadership acknowledges the need to be a more inclusive society in which various geographic and social constituencies need representation to make the country more innovative and accepting of the market economy requiring complex changes on all level.

As you can imagine, the changing economy is leading to workforce and foreign investment changes. The sweeping changes have implications for managing competitiveness and managing the diversity tension that comes from ethnic groups rushing to the big cities where most of the higher paying jobs are found. Private enterprise is booming but mostly in the cities along the coastal provinces. This has led to income inequality between the richer coastal areas and the minority provinces.

The economic growth in the cities has required that state ownership of businesses shrink, foreign investment grow, labor contracts guaranteeing lifetime employment be displaced, and a more vibrant and dynamic approach to free enterprise encouraged. Rural farmers are moving to the cities in large numbers to access manufacturing jobs. However, these rural Chinese are less educated and less skilled than their city counterparts. Also influencing worker inequality is their *hukou* status, which is the household registration system that has been in place for centuries and has become a type of class system over time.

Leaving Foreign Cultural Perceptions Behind and Adopting Patience

In the ten years since its introduction, the harmonious society concept and the scientific development concept are growing components of the five-year plans. The scientific development plan is

the means for achieving the harmonious society. It focuses on putting the country's peoples first, promoting sustainability, and doing both in a coordinated and comprehensive manner. The sheer complexity of the process requires addressing rural vs. urban, coastal vs. the rest of China, social vs. economic, human vs. nature, and domestic development vs. foreign investment.

There are implications for the workforce and thus foreign investors as China moves to a market based economy. The Han ethnic group favors workers from majority ethnic group for high paying jobs. The government tends to direct the resources to those areas where the majority ethnic group resides on the eastern coast. Social conflict remains a serious problem. Tolerance for ethnic, political and religious diversity remains low in many less-developed areas where minorities are the majority. In addition, there is still no assurance the government will address conflict in a fair manner. There is a shortage of skilled labor due to China's history as a mostly rural economy, which makes typical workplace issues of finding, attracting, training and retaining workers challenging. The challenges are made even more difficult by the fact that attracting diverse ethnic groups is necessary to adequately staff businesses. There is an increasing migrant worker sector consisting of people seeking to reduce inequality in areas like compensation and training.

Western countries doing business in China must learn two things quickly – tolerance and patience. There must be tolerance of ethnic customs and patience with the country's transitional status. State companies are slowly converting to a market orientation, but the Chinese government continues to control the rate and location of progress. However, China also realizes that it needs assistance tackling the wide range of problems connected to diversity. Chinese non-governmental organizations (NGOs) are working more closely with NGOs from other countries to bring about reform, particularly in the rural areas. The foreign NGOs bring new perspectives and shared ideas in a way that is acceptable to China. Pushing the models of diversity typically found in countries like the U.S., Canada and Great Britain would not work in the Chinese culture. Instead, the NGOs share democratized concepts that are then passed to the ethnic grassroots communities to bring about social and political change.

Major Progress in a Short Time

China is faced with the need to attract foreign investment to generate new business in order to tackle provincial inequalities. Foreign investment is an important factor in China's pursuit of a harmonious society. However, once operating in China, foreign companies can expect to find that as a country it is ethnically diverse but not always ethnically tolerant or equal despite a constitution giving all of its citizen equality under the law. It is a reflection of a country in transition and China is to be admired for its ability to plan for a long term shift in its political, economic and social arenas.

It is easy to be critical of such a closed society, but foreign investors need to understand that China is trying to change the cultural attitudes and practices that took thousands of years to develop. Considering the current transition from that perspective, ten years is a very short time to have achieved the progress made to date.

Western Union
Erases the Line Dividing Social and Corporate Responsibility

Under the leadership of Luella Chavez D'Angelo, Western Union has adopted an integrated approach to social responsibility by erasing, not blurring, the lines between improving communities and improving the bottom line.

By Jill Motley

Luella Chavez D'Angelo,
Senior Vice President of Western Union Social Ventures and the President of the Western Union Foundation.

When referencing social and corporate responsibility, the old adage remains true: A company must walk the walk because talk is cheap. As the concept of corporate responsibility has evolved to include social responsibility, its forward momentum is the result of the efforts of leaders like Western Union's Luella Chavez D'Angelo. In her role as the Senior Vice President of Western Union Social Ventures, her ultimate mission is to create a seamless integration of profit and non-profit driven missions. This unique blending of philanthropic, social support and profit making efforts takes corporate responsibility into a new realm of endeavor – one that many call shared value.

Innovative approaches are the hallmark of companies that recognize doing business the same old way is not going to work in the dynamic global environment that now defines the marketplace. Most people are familiar with Western Union as the company offering a quick and affordable way to send and receive money, and to pay bills. The success of such an enterprise depends on having access to the farthest corners of the world, which explains why the business operates in more than 200 countries and territories. This unsurpassed reach gives Western Union the remarkable ability to serve communities far and wide with relative ease.

Tying Together the Three Ribbons of Responsibility

Though most large corporations traditionally have a for-profit operation and a non-profit foundation, Ms. D'Angelo envisioned a more integrated system that involves more than just one organization cutting checks to the other one.

In December 2000, the Western Union Company established the Western Union Foundation as an independently managed 501(c)(3) nonprofit. The objectives of the foundation have evolved beyond simply finding a way to inject money into communities. The mission was far more refined. The foundation is charged with helping underserved communities that are largely un-credited and un-banked, meaning they do not have access to financial systems that most people take for granted. Helping people gain access to financial services and capital sources helps community members access better jobs and education and start small businesses. Having built the foundation from the ground up, she was ready in 2011 to challenge the traditional corporate structure. In a move that can only be called creative, the company, under Ms. D'Angelo's leadership, formed the Western Union Social Ventures department, which is a for-profit unit that ties corporate profit making, corporate social responsibility, and philanthropy together. Social Ventures is tasked with looking comprehensively at the sales and development of goods and services in conjunction with social problem solving as a means for bringing more revenue streams into the company while promoting economic prosperity.

The concept of a for-profit department with an equal interest in increasing revenues and promoting social improvements goes against traditional corporate models. For this reason, one of the challenges Ms. D'Angelo had to address was terminology. The language of social responsibility must be clearly understood by corporate leaders before the concepts will be fully embraced. In Western Union's case, the language includes the terms Shared Value (products) versus Philanthropy (giving via grants and volunteerism) versus Corporate Responsibility (operations and reporting). As is true for any culture, common language is a prerequisite for common understanding. The lesson Western Union has learned is that internal messaging does have enormous influence on whether people accept, understand and remember the concepts.

As Ms. D'Angelo describes it, "We see corporate responsibility as how we operate on the for-profit side. It includes, for example, the transparency of our operations, our human resources practices, the extent to which we protect consumers from fraud, and our corporate carbon footprint." Shared value is the leveraging of products and services, as well as business partnerships in a way

"We see corporate responsibility as how we operate on the for-profit side. It includes the transparency of our operations, our human resources practices, the extent to which we protect consumers from fraud, and our corporate carbon footprint."

that drives revenue for the company while improving lives in the areas where Western Union operates. "It is how we evolve products and services to better help society," Ms. D'Angelo elaborates. The corporate Foundation is the philanthropic arm and manages how profits put into the non-profit are used to help the community.

The Social Ventures department has the responsibility of bringing all three concepts –responsible operations, shared value products and philanthropic giving – together in a strategic manner. A three-year plan was developed to ensure the leverage of operations, products and services and cash benefits communities. It needs to be clearly understood that Western Union must make a profit as one of its responsibilities to shareholders and to encourage additional investments. However, how that money is made and how a portion of it is used is a matter of corporate social orientation. Western Union's orientation is to help improve lives in communities around the world, but especially where there is extreme poverty, social unrest, lack of educational opportunity, or devastation from a natural or man-made disaster.

Migrants Become the Connecting Global Thread

In practice, there has been enormous success. For example, the Social Ventures team looked with new eyes at the NGOs funded by the Foundation in the past. In the past, Western Union never viewed these NGOs as verticals or new customers. They were viewed as the Foundation's grant recipients. The team asked itself: How can the Western Union business better support NGOs? Since Western Union is in the business of helping people send and receive money, it was natural to think in terms of NGOs having needs to pay employees in multiple countries, making grants to other NGOs, and collecting and distributing donations in support of their mission. It made sense for Western Union to

offer NGOs its services – such as solutions that help Western Union's business clients manage exchange rates when sending funds across borders. By helping NGOs save money, they have more money available to meet their missions. Western Union also can help reach the "last mile," getting funds to otherwise hard-to-reach areas where many NGO programs are located.

The criteria used by Social Ventures in the selection of countries where focus will be placed include considering areas where social needs are most extreme and where Western Union business is thriving. If Western Union is already thriving, it means the company can go deeper to solve social problems since it already has a relationship with local Agents and the government. Western Union's most important markets have some of the largest populations with the largest needs and large Diasporas. People have migrated to places like the United States, the United Kingdom, the European Union and other countries and many of the migrants regularly send and receive money to and from family and friends in their home countries. This represents a business opportunity for Western Union.

One of the stunning successes of this new social focus is found in the African Diaspora Marketplace program, begun approximately two and half years ago. It is a public-private partnership that was formed among the Western Union Foundation, Western Union Company, USAID and Western Union agents. A call to action was issued by Western Union to diaspora communities wherever they lived requesting they submit business plans that could be initiated in home countries in Africa.

As Ms. D'Angelo enthusiastically says, "What is so great is not just how we leveraged partnerships for funding but how we leveraged the Diaspora, which is a very diverse community that originated in far-off places like Kenya and Uganda. Yet the proposal had to involve building a sustainable business – it had to last for years because we wanted those businesses to create jobs, promote economic development and help communities in a variety of other ways."

The business proposals were submitted on a competitive basis. Hoping to get 200 participants the first year, the program received more than 700 the first year and 500 the second year. An independent judging panel looked at the proposals and picked 19 last year and 14 this year. Funding comes from pooled money obtained from Western Union agents, the company, the foundation and USAID. The projects range from improving transportation, promoting IT systems development, and upgrading agriculture practices in sub-Sahara Africa.

The African Diaspora Marketplace is a brilliant strategy because it involves public and private entities and corporate stakeholders at all levels – and uses sustainable, market-based solutions to address social problems. Western Union agents are independent from the company, so their participation is particularly notable. Western Union has a program in which agents are encouraged to promote community programs with financial support and Western Union will match dollar for dollar up to $100,000.

Buying In and Retooling

Buy-in is critical to the success of Social Ventures. The employees must buy-in. The funders must buy-in. The agents must buy-in. The corporate profit-loss leaders must buy-in. Ms. D'Angelo admits that if she had to do it all over again, she would do a more effective up-front job of teaching leaders how to automatically think in terms of social responsibility or social value when thinking in terms of profit and loss. She calls it retooling. "We have to do a better job with teaching profit and loss leaders to think of social needs first. Meeting social needs is a way to impact society and the bottom line. That is our goal in 2013 – to retool thinking and transform the culture."

It is made abundantly clear that Western Union only wants people working for and with them who are interested in the company's mission-driven brand. As Ms. D'Angelo so explicitly explains, "If you want to work for a company that is all about traditional approaches to business, then Western Union is not the company for you. If you want to work for a company that is using its core business to make a real difference to people who are making U.S.$2-3 dollars a day and are largely ignored, then Western Union is a very exciting place to work. We make that very clear in our recruitment efforts, branding, positioning and employee engagement."

This innovative approach to erasing the line between social responsibility, typically managed by nonprofits, and corporate responsibility, typically managed by for-profits will advance the concept of shared value to the next level. Western Union has a purpose-driven brand that is as equally interested in promoting economic development, for the good of the communities where its agents operate, as it is in making profits. Social Ventures seamlessly leverages both internal and external resources to achieve its goals, and in doing so is setting a new standard by which corporate success will be measured.

Experts Agree that the Future of Democracy in Africa Depends on the Youth

Addis Ababa Ethiopia - Experts at the International Conference on Youth and Democratization which kicked off in Addis Ababa recently agreed that African youth are in the vanguard of political and governance changes in the continent.

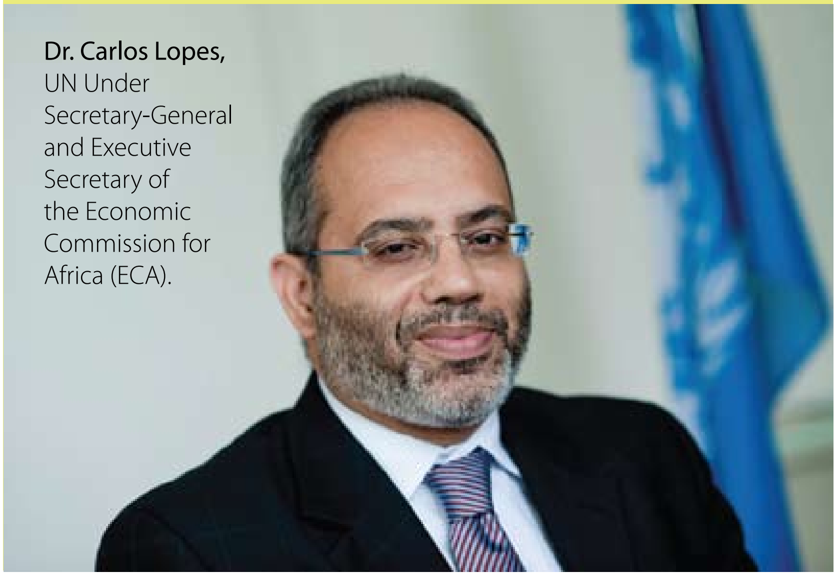
In a statement at the opening session of the Conference, Dr. Carlos Lopes, UN Under Secretary-General and Executive Secretary of the Economic Commission for Africa (ECA) stated that it is essential to promote youth participation in political processes and decision-making.

“We must provide the youth with quality education that equips them with the skills to function in the modern economy,” he said.

“In the same vein, we also have to give our youth a clear and uplifting vision of Africa; our youth have to be able to relate to our aspirations for African unity and economic integration. They also need proper engagement in order to appreciate Africa’s potential and what their own contribution can be,” Dr. Lopes added.

Mr. Vitalie Muntean, Deputy Country Director of Operations in the United Nations Development Programme (UNDP); Mr. Redwan Hussien, Public Mobilization and Participation Advisor to Ethiopia’s Prime Minister; and Mr. Vidar Helgesen, Secretary General of the Institute for Democracy and Electoral Assistance (IDEA) also addressed the opening session of International Conference on Youth and Democratization.

Mr. Vitalie Muntean, Deputy Country Director of Operations in UNDP speaking on behalf the Resident Representative, Mr. Eugene Owusu, said, “We should all prioritize education as the primary gateway to gainful youth employment and empowerment and equality must be ensured in both education and employment between young men and women as well as between rural and urban youth”.



Dr. Carlos Lopes, UN Under Secretary-General and Executive Secretary of the Economic Commission for Africa (ECA).

IDB Approves US $20 Million for Global Loan Program to CDB for Small Caribbean Countries

Inter-American Development Bank, Washington DC.

The Inter-American Development Bank (IDB) recently approved U.S.$20 million for a Global Loan Program to the Caribbean Development Bank (CDB) for projects in the four IDA-eligible Organization of Eastern Caribbean States (OECS) member countries.

The CDB will on-lend the funds for the financing of public sector projects in Dominica, Grenada, St. Lucia and St. Vincent and the Grenadines. These small open economies are vulnerable to external economic shocks and natural disasters.

The new approved program will help address the social and economic challenges of these non-IDB member countries, constrained by their limited access to longer term and lower cost credit resources. Resources will be allocated by CDB based on its country strategy and programming processes.

The IDB charter was amended in 1977 to allow the Bank to provide financial resources to the CDB to support its member countries. Prior to the approval of the new loan, the IDB had financed four global loan programs to the CDB totaling U.S.$104 million, as well as various technical cooperation operations.

The approved program will be financed by U.S.$14 million from the IDB’s ordinary capital, and U.S.$6 million from the Bank’s Fund for Special Operations, with an amortization period of 30 and 40 years respectively.

Shared benefits require bold economic reforms

Paul Kagame,
President, Rwanda.

Participants at the closing session of the seventh African Economic Conference, on November 2, 2012 in Kigali, Rwanda, urged African leaders to put in place bold economic reforms aimed at sustaining growth and boosting human development.

The four-day conference highlighted the need for policy-makers to create diversified economies capable of generating employment, implementing better social policies and inclusive growth. Participants agreed that good governance and fair competition will help Africa meet its sustainable development agenda. Carefully calibrated government support can help fulfill Africa's economic potential, reducing political risks and bolstering financial accountability to open new markets.

Africa has become the world's second-fastest growing region. Hosting the AEC for the first time, Rwandan President Paul Kagame said that in this era of economic uncertainty, the world has high expectations for the African continent.

According to the African Economic Outlook 2012, economic growth across the African continent is expected to rebound from 3.4 percent in 2011 and accelerate to 4.5 percent in 2012 and 4.8 percent in 2013.

"Some countries have even done better than these statistics depict. And because some countries from other continents show signs of economic stagnation, commentators have been inclined to think that this is Africa's time," said Kagame.

However the continent's poverty rates have remained stubbornly high, and progress on health, education and job creation have been too slow to accommodate its fast-growing population. These challenges are likely to become more difficult to tackle in the current global economic environment.

"Rich countries are very much concentrated on their own immediate problems to fix," said Donald Kaberuka, President of the African Development Bank. "As we can see from the trade and climate negotiations, there is limited appetite for the multilateral solutions, so we need to trade our way out of poverty and deal with the impact of climate change."

During the closing press conference, Mthuli Ncube, Chief Economist and Vice President of the African Development Bank, said that "Africa can have a brighter future, and has the potential to become the next emerging market by the end of this decade if political, social protection, quality education, private sector and regional integration are implemented."

Ncube urged each and every one "to see inclusive growth in action in Africa." He also affirmed that the continent's long-term growth prospects are strong, propelled by both external trends in the global economy and internal changes in the continent's societies and economies.

Spain has embarked on the path to recovery, but must continue with reforms, OECD says

Spain is immersed in a prolonged recession that has been compounded by the continuing crisis in the euro area. The path to recovery has been launched, but will require full implementation of reforms and some additional measures to restore confidence in the financial sector, redress public finances and bring down high unemployment, according to the OECD's latest Economic Survey of Spain.

The report, presented recently in Madrid by OECD Secretary-General Angel Gurría and Spanish Minister of Economy and Competitiveness Luis de Guindos, recognises the wide-ranging reform process now underway. However, it points out that adverse conditions will limit the short-term impact of reforms. Indeed, the Survey projects that the Spanish economy will contract by 1.4% in 2013, before returning to a 0.5% growth rate in 2014.

"Spanish authorities have launched a courageous reform programme to address the root causes of current crisis, and they should be commended," Mr Gurría said during the Survey launch. "While uncertainty in the euro area and the continuing global economic slowdown complicates Spain's path to recovery, we are sure that the country is moving in the right direction. The cost of economic reforms may be high today, but the pay-off will be a stronger Spain, better equipped to compete in the global economy."

Among key reforms drawing praise in the Survey are substantial budgetary consolidation measures and the reinforcement of budgetary rules, as well as broad and deep reforms of the labour market and the banking sector.

Grantland Rice,
Legendary sportswriter

PLAYING 18 HOLES OF GOLF CAN REVEAL SURPRISING PERSONAL CHARACTER TRAITS

By Vincent Pane

The quote by legendary sportswriter Grantland Rice (1880-1954) is easy to find by doing a Google search. It goes like this: Eighteen holes of match play will teach you more about your foe or partner than will 18 years of dealing with him across a desk. As a sports writer, Rice did more than just relate sports stories. He truly appreciated sports for its ability to bring out the best and worst in people. That's why it seems so natural that the roots of the famous saying, "It's not whether you win or lose, it's how you play the game" is found in his writings. Rice is noted for making many comparisons between life, human behavior and sports, and with good reason. A lively game of competitive golf is full of drama, decision making, success or defeat, dedication, and effort and strategy, and all of it is compressed into a few hours of competition.

Have you ever considered why it takes a while to get to know a person in-depth? One of the reasons is due to the fact that life has to play out a bit before enough events occur to test a person's character. One day someone may have to make a major business decision that requires a quick analysis of the situation. It may be months before the same person is tested as to whether an important deadline can be met. A few months later, a co-worker may suddenly quit, leaving a mountain of work behind. It might be a year later before a new business relationship proves to be a tempting opportunity to act unethically for the sake of making a profit. Life is full of moments that test a person's resolve, training, capabilities, competence and adaptability.

Unfortunately, it really is possible to deal with someone for 18 years across a desk and still not know enough about their integrity and character. It may take a long time to fit the pieces together and make a realistic assessment of someone's character. People are often experts at hiding their negative qualities or may not have enough opportunity to show how they would respond in difficult situations. How often have you considered a person to be strong and competent, only to discover they fall apart in a crisis?

Compressing Life Into a Golf Game

A golf player is required to draw upon mental capacities to assess a rapid succession of varying situations, develop strategic responses, adapt to changing conditions, accommodate playing partners, and show confidence even when shots

"IT'S NOT WHETHER YOU WIN OR LOSE, IT'S HOW YOU PLAY THE GAME"

- Grantland Rice

go wrong. The interesting fact is that each and every game of golf requires a lifetime of emotions, critical and strategic thinking, and adaptive responses to the conditions at each golf hole. A good golfer is someone who is able to demonstrate mental strength, an effective golf style achieved through training and practice, the ability to humbly accept success, and a willingness to learn from mistakes. Those are the same qualities a high performing business person will possess.

In 18 holes of golf, the player may experience sand traps, shifting winds, sudden bad weather, poorly constructed shots, a weak playing partner or a missed putt. Unfortunately, all of these events can happen in a single game of 18 holes of golf, and they can test any player's patience. How a person responds to a single golf event or a series of adverse events during a golf game can teach more about the person than working with them for years. A golfer who simply gives up in anger is revealing an unwillingness to try and adapt by developing new strategies. Chances are this person would be equally rigid in the business environment where change is endless.

The way a golfer responds and behaves on the golf course is character revealing. In addition, the type of competitor a golf player is on the course or on a golf team lets you know how that person will handle a business competitive environment and business relationships. Demonstrating good behavior on the golf course and a willingness to support a partner indicates a person who will be a good team member in the business world.

Pressured to Perform

Golf is often compared to the business world because it has so many of the same characteristics and requires participants to have many of the same qualities for success. However, a golf game only lasts a few hours. It is a revealing game because of the pressure placed on the players to perform no matter what conditions exist, and those conditions are often unpredictable. There is no way to know that the wind will shift on the 9th hole, just like there is no way to know that a potentially major client will begin to have second thoughts about a big purchase halfway through the negotiations. The golfer must be able to adjust by remaining calm, even while developing a new strategy. The same is true for the business person.

The character a person exhibits on the golf course reflects the character that person will exhibit in a business relationship. Successful business relationships are built on character as much as they are on abilities. No one wants to do business with someone who would give up too quickly when times got tough, does not keep honest 'scoring', acts selfishly, or does not play by the established rules. If that is what happens on the golf course, then that will surely happen in the boardroom.

So, if you want to know what a person is really like, ask them to play 18 holes of golf before you set them at a desk. It is a much quicker way of assessing their character, and the way the person will conduct business over time. In the meantime, you can have some fun too. Life is just too short to do otherwise.

Time for a Change!

DiversityGlobal Magazine is taking workforce diversity to a new level. Increasingly women and minority professionals are leaving the workforce or getting pushed out. The challenge for corporations is to understand how to better identify and grow minority talent at the most senior level of leadership positions.

With thought provoking articles on leadership, innovation, human capital, strategy and much more, DiversityGlobal Magazine will bring a new awareness to diversity and inclusion. The goal is help companies make the transition from marketplace culture to organizational culture so they can retain their best employees.

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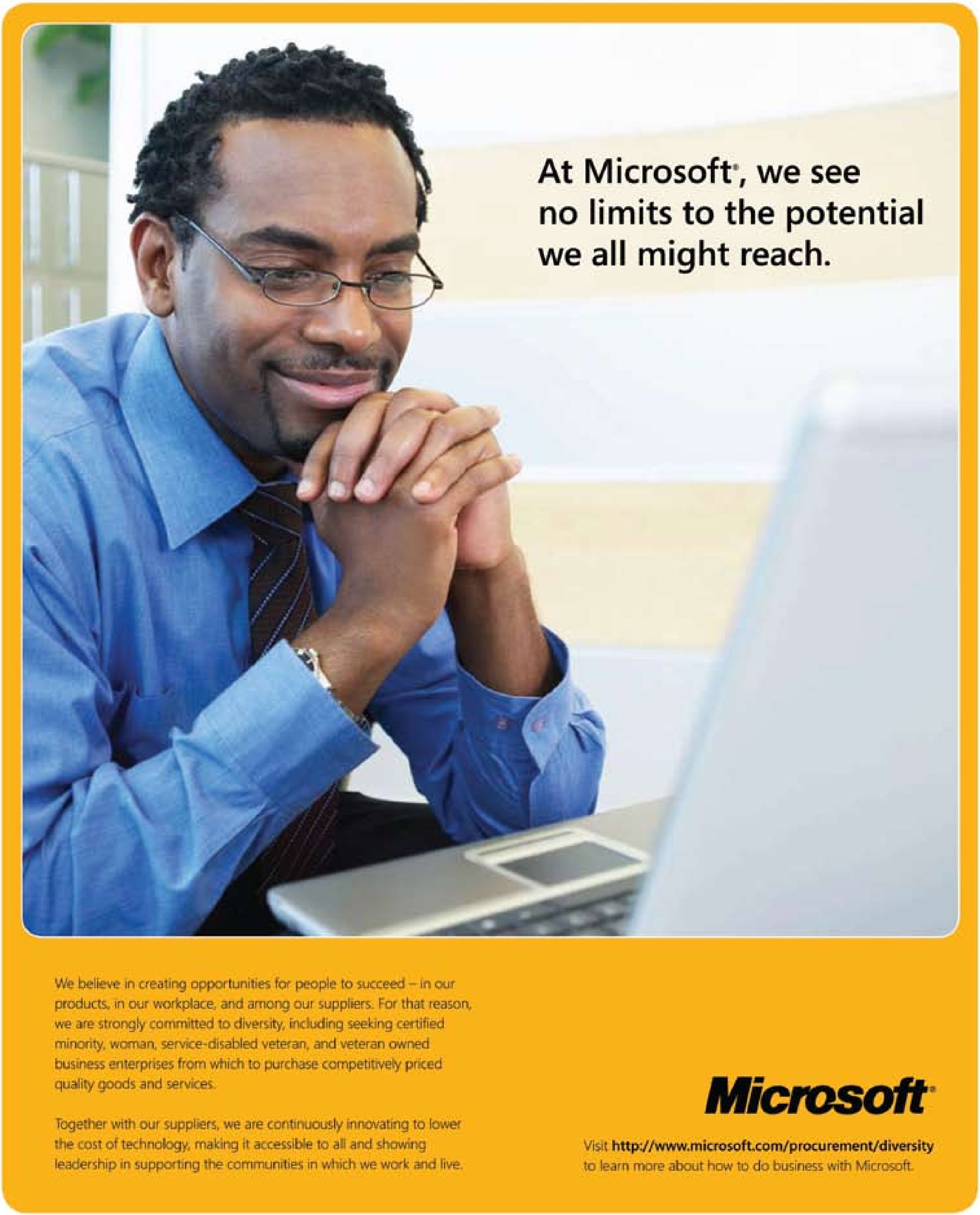
DiversityGlobal Magazine

Bringing Innovative Human Capital, Diversity and Inclusion to a Global Workforce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