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DIVERSITY AND DOLLARS

Companies with multicultural staffs can often expand their markets

BY MELISSA C. GILLESPIE

Diversity in the workplace until recently conjured up images of companies engaged in cultural sensitivity training or creating a diverse workforce to meet some quota, experts have said.

Today, having a diverse workforce not only enriches corporate culture, it can mean greater profits and a dramatic positive impact to a company's bottom line.

Insync Business Solutions, a Margate-based clothing manufacturer, has seen business explode as its customer base has diversified.

"It is our employees who strengthen our ability to reach into various markets," CEO David Lalji said. "Diversity within IBS affords better insight into other markets, creating more opportunities to expand our customer base and better understand the needs of our culturally diverse customers."

Companies are increasingly recognizing that by hiring a workforce which mirrors the target market for their product or service affords real bottom-line benefits, including an increased understanding of its customer base, ability to attract and keep customers and an increased variety of viewpoints.

A major reason is the nation is changing – and more quickly than most people might imagine. According to the 2000 U.S. Census, there are 35.3 million Latinos, 34.7 million African-Americans and 11.9 million Asian-Americans living in the United States. Americans of color comprise about a quarter of the total U.S. population.

The most dramatic shift has occurred in the Latino population, which grew 58 percent during the past decade, bringing the population numbers to a level surpassing that of African-Americans.

The situation is even more dramatic in South Florida.

Consider Miami-Dade County, where the numbers have skyrocketed, with persons of Hispanic descent accounting for more than 50 percent of the county's 2.2 million population. Minorities now represent nearly 30 percent of the Broward County population and 21 percent in Palm Beach County.

The United States is diverse. How can companies benefit from this diversity and translate it into business success? They can start by creating high-performance, multicultural teams and develop the skill sets and tools to help employees work better together.

> **'It is our employees who strengthen our ability to reach into various markets.'**
>
> **David Lalji**
> **CEO, Insync Business Solutions**

Mirroring the marketplace

In the world of business, success is about capturing market share – creating and maintaining customers.

"If those customers belong to a community, which by its nature is diverse, the best way to capture more market share is

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MARK FREERKS

Author Camilo Cruz recommends companies diversify before their competitors do.

BROWARD COUNTY

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Employing a diverse workforce can afford companies the opportunity to experience multiple viewpoints, learn different ways to address issues and capitalize on the openness, said David Lalji, co-owner and CEO of Insync Business Solutions (IBS).

Margate-based IBS is a manufacturer and wholesaler of uniforms, corporate apparel, casual wear and promotional products selling to wholesalers and corporations nationwide. IBS has two distribution centers in Fort Lauderdale, and manufactures its product in Peru, China and Italy.

Lalji said IBS has an employee base that was built to mirror today's diverse labor pool.

He said the company's commitment to diversity has strengthened its ability to reach into various markets and thereby created opportunities for it to expand its customer base.

Its staff of 18 is comprised of people from a variety of cultural and ethnic backgrounds, including Hispanics, Asians and African-Americans.

As a result, Lalji said, the decision to employ people with different backgrounds and language abilities has created a comfort level with IBS customers.

"In building business it all comes down to relationships," Lalji said. "Having people with a diverse background enriches us. We get to see business from different perspectives and can meet the needs of a broader range of customers."

– Melissa C. Gillespie

MIAMI-DADE COUNTY

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The average Fortune 500 company spends millions of dollars every year on advertising and millions more on recruitment efforts.

But what if those messages were inconsistent or, worse yet, contradictory?

In multicultural markets, for example, contradictory messages lead to distrust, and that can lead to loss of business, said Elaine Silverstein, who, along with Joyce Beber, co-founded the Miami-based Beber Silverstein Group.

That's one of the things she has learned while running her 30-year-old marketing communications agency that now serves clients throughout the Americas.

Silverstein also recommends companies understand their market by asking, "to whom are you selling what?".

Supporting her philosophy, Silverstein's company has a diverse staff itself. Of the firm's 82 employees, about two-thirds are female and about 50 percent are Latino.

Silverstein said it is important to look at the population and the demographics.

Diversity within Beber Silverstein has helped the firm to understand how to tailor messaging to mirror a variety of values, Silverstein said.

"It has given us an understanding of culture beyond putting someone with dark curly hair in an ad because you want him or her to look Latino," she said. "The point is, understanding cultures and their respective values makes a big difference in the ability to talk with authority to varying publics."

That authority is allowing the agency to fulfill its own business goals.

Silverstein credits diversity with broadening her firm's market reach.

"In my particular business, the more diversity you have, the more opportunity there is," she said.

– Melissa C. Gillespie

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Challenges come with opportunities

PALM BEACH COUNTY

Harmsco, a manufacturer of liquid filtration products, is trying to create a bridge between the cultures in Palm Beach County.

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When human resources director Linda Pena started with the company about five years ago, she saw an opportunity to grow Harmsco by capitalizing on the influx of Hispanics moving into the West Palm Beach area.

"We were getting about 50 applications per day of people who spoke very little English looking for employment," she said.

Those applicants, Pena notes, who were doctors, lawyers and teachers in their native countries, were looking to establish themselves in the United States.

Rather than looking solely at language ability, Harmsco hires qualified candidates and works to build a bridge between cultures.

"The barrier is language, not skill," she said. "Think about all the talent and knowledge we would miss out on if we did not find a way to close that gap."

To conquer that challenge, Harmsco offers a variety of language, cultural sensitivity and training classes during work hours.

To build the bridge between cultures and overcome the language barrier, Harmsco brought in a professor to teach department managers basic Spanish and another to teach Spanish-speaking employees English.

"The mentality is, we're all a team and we need to help each other," she said. "By having both sides understand each other, we can communicate. And, it creates an enhanced relationship between manager and employee."

Today, about two-thirds of Harmsco's 100 employees are Hispanic.

Pena said her company has only benefited from its diversity program.

"The greatest loss to any company that does not make diversity a priority – whether it is gender, age or ethnicity – is the talent and skills a diverse group of people bring to the table," she said.

– Melissa C. Gillespie

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to have a company that is equally diverse," said Camilo Cruz, CEO of Plantation-based Taller del Exito, a leading training and motivational company in Latin America and in the U.S. Hispanic market. "By creating a diverse workforce, companies are able to learn how to appeal to their target market from a customer satisfaction perspective, marketing perspective, etc."

A variety of viewpoints and backgrounds helps to shape a stronger company overall – one that has more tentacles into various business markets and a better understanding of its customers. In a business climate where technology and pricing have become a level playing field, often the only defining competitive advantage is customer service and customer satisfaction.

"Companies can embrace diversity and expand their reach into other markets or they can sit back and watch their competition do so," said Cruz, who has been asked to provide insight to thousands of top corporations and political leaders worldwide.

Miami-based marketing communications agency Beber Silverstein Group depends on diversity to reach more business markets and understand their audiences.

"We live in a multi-ethnic polyglot economy and the ability to understand the various populations to whom we are directing our messages to is a necessity," said co-founder Elaine Silverstein.

Translating diversity into dollars

How does diversity translate into dollars? Through the ability to gain greater market share, customer loyalty and increased productivity. Cruz finds that although some companies may not appreciate having to deal with the various modes of communication or work styles resulting from diversity, they do appreciate increasing bottom line revenue.

He recommends, instead of focusing on diversity, focusing on the goals the company is trying to pursue in terms of product development, market penetration, market share and increasing customer loyalty. Then look at its target markets. Diversity brings a company better insight to other markets. The essence of the purpose of a company is to create and maintain customers. Diversity is one factor directly related to achieving that bottom-line goal.

Managing conflict

There are already many differences within a workplace environment – differences in age, professional focus, gender and – what many people typically refer to as diversity – in culture. Diversity is more difficult to manage.

"That which brings more power to the team happens to bring more misery to the team" Cruz said. "Diversity brings a great vision, but also brings more difficulty to manage."

Cruz recommends the following when learning to better work together in a multicultural work environment:

Understand the purpose of the company. Organizational members need to be trained with proper objectives in mind. A team has a purpose – to create and maintain customers. In order to do that, businesses have to learn certain things about the market they are trying to address, a market, which is very diverse. In order to understand a diverse marketplace organizations must mirror it by employing or calling upon people from diverse backgrounds.

MARK FREEDKIS

The Beber Silverstein Group ad agency relies upon its diverse staff to reach more markets.

Throw away the cookie-cutter approach. Many executives are not willing to do this and instead take on an attitude of "this is the way I do things." If companies were comprised of only one ethnicity, then this view would be fine, but this is a globalized world.

Learn about the differences. Manage by wandering around and talking to employees. A leader understands the need to personalize management styles based on the individual needs within the team. If the differences in learning, work and communication styles, and how employees best respond to a certain leadership style are neglected, then managers are going to have a problem.

Be sensitive to these differences. By their very nature, teams are diverse. Communication and work styles will inevitably vary among employees, whether due to differences in culture, personality, gender or education level. Different styles aren't bad; they are just different.

Focus on effective communication throughout the organization. Human interaction in the work place succeeds or fails as a direct result of the ability to communicate ideas and feelings. The communication process affects every activity in an organization. Sales, customer service, delegation, meetings and goal setting are just some of the process influenced by the ability to communicate ideas effectively.

What does a company do to incorporate diversity as part of the corporate culture, as opposed to simply the mission statement? According to leading diversity publication *Diversity, Inc.*, management needs to understand the corporate leadership's mission and be able to implement diversity in the strategic, bottom-line, daily business decisions.

Focus on what objectives the organization would like to reach, such as the cultural corporate values and the governing values within the organization. Then, develop a plan for reaching those goals, recognizing that because it is a culturally diverse work team, people will grow at different paces.

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