Globalizing Diversity: The Two Dilemmas Facing Global Corporations

Cornelius N. Grove & Willa Zakin Hallowell
GROVEWELL LLC

U.S.-based corporations with a commitment to diversity & inclusion are increasingly demonstrating that commitment not only in their U.S. offices and plants but also throughout their operations abroad. Any American corporation that globalizes diversity in this way encounters two dilemmas: one is ethical; the other is practical. These two dilemmas are the focus of this paper, which draws on research carried out during the early 1990s that, in our view, remains fully insightful and relevant today.

In 1993, the AT&T corporation asked us to explore the following question:

*To what extent can our U.S. diversity policies and initiatives be transferred to our business operations in cultures that are different from American culture?*

AT&T engaged us to help it respond to this question in a way that would make sense from an organizational and business perspective. We conducted interviews and in other ways researched *societal values and responses* concerning human differences in Japan, Germany, the United Kingdom, and Mexico. We then compared these values and responses with those in the U.S.

The two key concepts applied during the research were defined as follows:

**Human differences** The fact that, within all human populations, there are characteristics that distinguish individuals from each other such as gender, age, ethnicity, religion, and so forth. Some of these differences are readily observable, others are not.

**Diversity** Concepts, approaches, and programs developed and initially applied here in the United States for dealing productively with human differences in the workforce and the work environment.

---

1 This paper is copyrighted (TXu 1-677-238). The authors are seeking a periodical to publish this paper; contact info@grovewell.com. Citation: C. Grove & W. Hallowell, “Globalizing Diversity: The Two Dilemmas Facing Global Corporations,” GROVEWELL LLC, 2008; Grovewell.com/pub-global-diversity.pdf.

2 In this paper, the dissemination of diversity’s benefits beyond the boundaries of the U.S. will be referred to as “globalizing diversity” and “the globalization of diversity.”

3 The project was known as “DIAD,” for Diversity International And Domestic. The four target nations were selected by the AT&T business units that supported the project. See appendix for more details.
Because of this project’s examination of societal values in Japan, Germany, the U.K., and Mexico, one of its significant outcomes was that “what’s American about America” emerged in significantly sharper focus.

Fresh Insights About the Values of Americans

Over centuries, international travelers have remarked that sustained contact with distant cultures provided them with a kind of mirror in which they could see themselves and their home culture more distinctly. A common phrase is, seeing ourselves as others see us. This project certainly had that effect on us and on our client.

A Trio of American Values  The research revealed that there is a trio of foundational values that guides many Americans’ beliefs about how they ought to regard people of all kinds – those who are different as well as those who are similar:

**EGALITARIANISM**  All people should compete on a “level playing field” as they strive to get ahead; equal opportunity and fairness should prevail in the workplace as in all societal institutions.

**ACHIEVEMENT**  All people should obtain opportunities and rewards based on their own accomplishments, not because of their ascribed traits such as skin color, gender, age, or family background.

**INDIVIDUALISM**  All people should be self-sufficient and self-expressive; business leaders should give each employee the opportunity to fully develop and use his or her unique talents and perspectives.

Countless Americans – not only those professionally engaged in diversity but also tens of millions of citizens and residents – believe that it is Right and Good to live according to these three values. The “ah-ha!” generated by the research was that these three values act in concert. In decades past, they provided the moral imperative for Equal Employment Opportunity and Affirmative Action; today they contribute urgency to the dissemination of Diversity & Inclusion. The research directed attention to a motivating constellation of the three intertwined values mentioned above: the “Trio of American Values.”

A Duet of American Values  In every discussion of diversity during the 1990s as well as today, two values are invariably cited: **TOLERANCE** and **RESPECT**. The value statements of most American corporations indicate reverence for this value duo.\(^4\) TOLERANCE and RESPECT promise humane outcomes in interpersonal relations. As children, some people learned a Golden Rule, “Do unto others as you would have them do unto you”; but that sets one’s own expectations as the standard of behavior. The Duet of American Values issues a caution: The other’s expectations

\(^4\) For example, in the 1990s AT&T’s value statement proclaimed that “We will treat you with respect and dignity. We will value your individual and cultural differences.”
should take precedence. “Do unto others as they prefer to be done unto” is more appropriate in this era of global business relationships and ultimately an approach that yields better business results.

A Solo American Value   As a nation built by waves of immigrants from every corner of the world, the United States has always had a compelling reason to develop norms and rules that apply to newcomers and old-timers alike, and that bind them all into one nation about which *E pluribus unum* genuinely applies. Slowly and haltingly, The American Way has come to be inscribed in the hearts and minds of most inhabitants of the U.S.A. as well as formally codified into law and precedent.

But that process didn’t stop at the water’s edge. Aware that the U.S. was rapidly becoming a robust and successful nation, our forefathers on this continent began to assume that their ways of thinking about and doing things were Right and Good for others abroad. There is no finer example of this trend of thought than Woodrow Wilson’s 1917 speech proposing the League of Nations:

American principles, American policies...are also the principles and policies of forward-looking men and women everywhere, of every modern nation, of every enlightened community. They are the principles of mankind and must prevail.

Wilson went on to say that American involvement in the affairs of other nations, whether military, economic, political, or cultural, would have the tone of a moral duty to help the less favorably endowed foreigner enjoy the advantages bestowed upon those lucky enough to be Americans.⁵

The value known as *Universalism* expresses this tendency to develop norms and rules that are assumed valid for everyone, not merely the members of one’s own group. Anthropologists, interculturalists, and social psychologists recognized long ago that Americans have strong universalist tendencies. Like Woodrow Wilson, the unguarded expectation of many Americans is that distant peoples will welcome the arrival of the Americans’ mindset as well as of their products, services, and liberating armies.⁶ All-inclusive *Universalism* emerged from the findings of this research as a critical “Solo American Value.”

In summary, the research drew into clearer focus three sets of American values that have had a significant impact on the globalization of diversity & inclusion:

- The Motivating Trio: *Egalitarianism, Achievement, Individualism*
- The Cautionary Duet: *Tolerance, Respect*
- The All-Inclusive Solo: *Universalism*

⁵ The felt imperative to share the presumed excellence of one’s own ways with others did not originate in the United States. The impetus to civilize and convert was very much alive in 18th and 19th century Europe and, of course, can be found in many other historical times and distant nations as well.

⁶ Critics, of course, speak of “colonialism” and “imperialism.”
Fresh Insights about the Values of Others

Our research also yielded fresh insights about how people in Japan, Germany, the U.K., and Mexico regard human differences. When their values were compared with corresponding values in the United States, their mindsets were found to be different from the American one. People outside the U.S... 

- did not put nearly as much effort into categorizing one another into groups ("Generation Y," "Hispanics," "women managers," etc.) as we Americans do. This includes being less preoccupied with the "race" concept than we have been. 
- often assumed that inborn, inherited human differences, not achievement, are a proper basis for assigning certain types of people to economic or social roles. 
- were generally comfortable organizing their lives around the notion that some individuals or types of people have more intrinsic worth than others. 
- viewed discrimination (evaluating and sorting other people) as a desirable skill and socially useful activity (similar to Americans' use of "discriminating").

People in those four cultures... 

- were not preoccupied with "level playing fields."
- rarely spoke of "diversity" in reference to human beings. 
- did not recognize the meaning Americans give to "diversity."
- did not necessarily admire us for promoting our American values to them.

Yes, 15 years have passed between the completion of this research and the writing of this paper. Social changes have occurred in the U.K., Mexico, Germany, and Japan. But significant shifts in the deeply shared assumptions and values of national populations occur extremely gradually. None of these four nations has undergone a sweeping social revolution in the way mainstream people (locally defined) respond to the non-mainstream people and outsiders in their midst.

As some social commentators have pointed out, a counter-tendency is afoot: local peoples are strengthening their commitment to time-honored values. They sense that it's important to preserve what is uniquely theirs in the face of immigration and various types of migration, globalization, and other encroachments by "foreigners."

Differences were found among the four nations, of course. These are detailed in the full DIAD research report. (Japanese values are overviewed in an example below.) For the purposes of this paper, what's important is that in Japan, Germany, Mexico, and even the United Kingdom, foundational values concerning human differences were dissimilar, in varying degrees, to corresponding American values.
As a result, two dilemmas face any American corporation that seeks to globalize its diversity & inclusion policies and initiatives. Let’s first consider the ethical dilemma.

The Ethical Dilemma of Globalizing Diversity

Diversity-conscious U.S. corporations typically highlight their commitment to the value of “respecting the values of others.” But in globalizing diversity-related policies and initiatives, they risk contradicting this stated commitment. Here’s how.

The Duet leads corporations to advocate RESPECT and TOLERANCE for the established values of other groups. Groups of people in distant nations, however, have different, time-honored ways of responding to subgroups in their midst. Their responses arise out of values that should receive the Americans’ tolerance and respect.

What tempts Americans into this contradiction? It is UNIVERSALISM, the strong Solo Value, which leads Americans to believe, often unconsciously, that people worldwide should think and act similarly...to Americans! UNIVERSALISM is what generates the ethical dilemma.

Here’s a way of graphically portraying this ethical global diversity dilemma:

Let’s examine this dilemma more closely. Over decades, the Trio of Values has provided an enduring motivation for millions of Americans to arrange their lives and relationships in certain ways. And when Americans are thinking approvingly about the Trio, they’re usually thinking approvingly about the Duet as well. The Trio and the Duet are complementary within the United States, where the Solo Value, UNIVERSALISM, also is regarded, usually unconsciously, with equal approval.

But when U.S. corporations take diversity global, differing sets of expectations and values come into play. It’s no surprise that, abroad, the Trio does not provide a bedrock-strong, intertwined value basis for local people’s thought and behavior. American advocates of diversity & inclusion, as they try to persuade local people to think and act under the guidance of the Trio, also speak approvingly of the Duet, which to the Americans is a complementary set of values. Accordingly, the Americans also advocate RESPECT and TOLERANCE for the values and behaviors of others. But their deep, often unconscious, UNIVERSALISM leads them to go one
step further, to advocate that “You should respond to others the way we Americans do.” This is not a good working model of TOLERANCE and RESPECT.

Some further observations about the ethical dilemma are in order. So long as the focus is on what most Americans consider to be superficial differences in social expectations and behaviors, they are guided by the Duet of Values. If people from other countries relax, cook, and dress in ways that are unlike those practiced by Americans, and if their arts and crafts are different from Americans’, then Americans regard those differences as interesting and, in some cases, as worthy of emulation. For example, multicultural fairs and “diversity days” featuring food and handicrafts from around the world are popular in American organizations.

But when mindsets and behaviors that Americans consider socially or politically fundamental are involved, then Americans’ Solo Value, UNIVERSALISM, carries the day. For example, if evidence leads Americans to believe that another nation’s mainstream group has relegated a minority group to permanent underclass status, then the Americans will often vocally advocate change.

The critical point here is not about determining which types of situations Americans can tolerate and which they cannot. Rather, the point is this: An ethical dilemma usually occurs when Made-in-the-USA diversity & inclusion goes global. The values of TOLERANCE & RESPECT suggest one course of action: Accept unique, established local values. The value of UNIVERSALISM suggests another: Change established local values in ways that make them ever more closely aligned with American values.7

The Practical Dilemma of Globalizing Diversity

American diversity & inclusion advocates tend to assume that globalizing diversity policies and practices, as these have been developed in the U.S., will have a beneficial effect for other nations. Expected benefits include improved employer-employee relations, more efficient accomplishment of work, more effective harnessing of creativity, enhancement of the corporation’s image, and an increased bottom line. “It happened here,” the reasoning goes. “Therefore why not there...?”

We think that these assumptions arise from a mindset that says, “Deep down, people everywhere are like us, or wish they were. So when they grasp the benefits associated with American ways of doing things, they’ll go along.” This rationale is a fine example of the value of UNIVERSALISM at work.

Findings from the AT&T research enable us to open this assumption for exploration:

Let’s carry out a thought experiment based on Japanese values and mindsets. If you had been born and raised by Japanese parents in Japan, and if you had lived and worked in Japan all your life, it’s likely that your reflections about your foundational values and assumptions would go something like this:

7 The ethical clash that occurs when Americans take their values and practices abroad has occurred before. See Appendix 3, “International Educational Development: A Parallel Case.”
As a child growing up in Japan, my young companions and I learned that one exists as a member of a group; no one exists as an autonomous individual. We were taught the overriding importance of fitting in and maintaining harmonious relationships in all aspects of life. We were taught to make decisions using a group-oriented process of consensus-building. We learned to strive to fit in with our peers: "The nail that sticks up gets hammered down" is a saying we learned early on.

Because of this overwhelming emphasis on preserving group harmony (wa), we learned to make judgments about our fellow Japanese on the basis of ascribed characteristics: family background, place of birth, education (especially where one attended university), gender, and age. So now, the overriding question that each of us asks himself about another is, "Will he or she comfortably fit into my group?" We use the concept of “discrimination” in a positive sense – the way some people in other nations use “discriminating,” as in “discriminating taste.” As we grew up, we learned that making these types of distinctions among people is not only expected but also socially useful.

For us, "groups," or “in-groups," came to mean family, friends, and close colleagues in school and at work. Each of us felt an intense sense of obligation and loyalty to, and identification with, the most important groups to which we belonged. As we grew into adulthood, we learned that groups exhibit a high degree of homogeneity because people who are different in a significant way would not become group members in the first place.

My peers and I grew up to expect little or no overlap in the roles of men and women: Despite some changes, men still tend to devote themselves to work while women tend to take care of home and family. As adults, when we look around ourselves at work, we still notice that female colleagues, even well educated ones, are in the lower ranks and usually leave work as soon as they marry. Yes, this pattern may now be changing, but it remains true that a Japanese man rarely reports to a woman.

Americans I’ve met (especially the men) talk about building relationships as if this were simply a practical means to attain a goal or complete a task. This is not the case here in my country. Rather, the identity and survival of individuals is synonymous with group membership. So relationships become the glue that preserves everyone’s humanness and face. A Japanese person is but a thread in the tightly woven fabric of his or her in-groups as well as of society. That’s why consensus-building is so important for us. And that’s why I cannot comprehend the Americans’ habit of assertively speaking their mind even if it makes others uncomfortable and causes conflict.8

---

Try to remain briefly within this Japanese mindset. Imagine now that you are a manager in a Japanese company that recently was acquired by a U.S. corporation. Your American CEO has just issued a global directive saying that the corporation will roll out its diversity strategy all across its overseas operations. With your fellow Japanese colleagues, you are now reading the CEO’s policy statement, which says...

...the corporation has been concerned about issues of fairness in hiring, retaining and promoting women and minorities for many years. It is now launching an initiative to ensure that talented members of these groups are given equal opportunities to be hired and promoted. The executive council is asking that, in Japan, attention now be focused on increasing the number of women who are hired and promoted to higher management levels.

An accompanying letter from the American HR chief points out that...

...every woman employed in the Japanese operation is either a member of the support staff or works at the lowest professional level. This is true in spite of the fact that some of the women professionals have been highly productive for over five years. A few even have MBAs or equivalent degrees.

The CEO’s policy statement and the HR chief’s letter strongly suggest that something should be done at the earliest possible moment to rectify the absence of equal practices in hiring and promoting talented Japanese women professionals.

Continue briefly to maintain your Japanese mindset. From that perspective, ask...

What reactions are my Japanese colleagues and I quietly exchanging?
What impact might this have on our admiration and loyalty for this company?
How might my Japanese colleagues and I publicly respond to this directive?
How might my Japanese colleagues and I actually respond to this directive?
When I discuss this with close friends and family, what are we likely to say?

Now release your Japanese mindset. Return to being whomever you really are.

Please complete this empathy exercise from a bottom-line “business case” perspective. Ask yourself two questions about this hypothetical U.S. corporation:

What might it gain by trying to expand its diversity practices to Japan?
What might it lose by trying to expand its diversity practices to Japan?

Here’s a way of graphically portraying this practical global diversity dilemma:
What new factors might this corporation need to carefully consider before trying to globalize its diversity & inclusion efforts to Japan...or to any other nation?

A New Spirit to Animate the Globalization of Diversity

With the possibility of both ethical and practical dilemmas in mind, we believe that it’s worth at least considering an alternative approach to thinking about, strategizing for, and working towards the globalization of diversity.

We call for a New Spirit to animate and guide this quest, a New Spirit that emphasizes TOLERANCE & RESPECT...and that deëmphasizes UNIVERSALISM.

A fine example of this New Spirit emerged from our research. One of the most evocative interviews we conducted was with a white male American manager who had spent seven years in Japan working for one of AT&T’s Japanese joint venture partners. Here’s a story he told us:

I was very disturbed by what I saw happening to highly capable Japanese women. Many were highly productive; some even had MBAs. They were answering phones, serving tea, typing and filing. They never got promotions or benefitted from career development.

One woman in my department was especially bright and capable. She was 34, single, and very diligent. I decided to see whether I could get her a promotion.

I spoke to a Japanese senior executive about this idea. He definitely was not enthusiastic about a promotion for this or any other woman! One evening at a late-evening club, he revealed the true reason for his opinion: In Japan, men do not report to women.

Nevertheless, I met with the managers of the group to which the woman belonged and easily got them to agree that she was the most productive person, male or female, in their group. After several rounds of discussion, they all reached consensus that she should be promoted – but only to Assistant Manager.

Upon hearing the news, the woman herself was astounded and embarrassed. She was dismayed by being singled out as the only woman to be promoted.
She begged me not to publicly announce the promotion at the regular Monday morning staff meeting. I agreed.

Her promotion was later listed in the staff newsletter, and drew contradictory reactions from the other women in the office. Some complained that they had no one to go to bat for them as I had done for the woman who was promoted. But others expressed dread that someone might actually try to develop their careers!

These events occurred over a decade ago, but they illustrate for all of us today a New Spirit in the globalization of diversity. For if we pay attention to how this American manager approached his diversity objective abroad, we recognize that...

First, he began with a modest objective: a promotion for only one woman.

Second, he knew the local culture well; he recognized its low tolerance for rapid social change and its accepted ways of introducing incremental change.

Third, he used local ways of getting things done – consensus building – in his effort to bring about a modest change.

Three short statements nicely encapsulate the spirit of this manager’s approach, which we advocate as the New Spirit for the globalization of diversity:

**Go slow.**

**Be in the know.**

**Go with the flow.**

Does this maxim require U.S. corporations to abandon their commitment to the globalization of diversity? No. Instead, this maxim requires U.S. corporations to consistently honor in all their deeds the precepts that they advocate in words. This maxim also requires U.S. corporations to recognize that, when the globalization of diversity is at stake, the value of UNIVERSALISM is inconsistent with the other great values that give life to diversity & inclusion as we’ve been practicing it here.

Wouldn’t it enhance the long-term effectiveness of your globalization efforts if you and your colleagues applied this New Spirit to your corporation’s diversity objectives?

**The New Spirit Extended to Other Globalization Efforts**

The same may be said for other features of corporate culture that are being tapped for globalization. We call attention especially to global talent management, including leadership development and executive coaching. We’ve seen corporations export approaches to talent management that are built on a foundation of American values such as individualism, egalitarianism, objectivity (featuring reliance on metrics), and an emphasis on speed and task-completion at the expense of relationship-building.
It’s worthwhile pausing to ask ourselves whether these values make sense, for example, to an Asian’s way of thinking. Richard Nisbett’s seminal book, *The Geography of Thought: How Asians and Westerners Think Differently...And Why* (2004), enables us to think critically about how “objective” endeavors such as 360° feedback are perceived by Asians. As Nisbett points out, one of the most significant features of the life of Asians is each one’s web of subjectively close relationships that confers identity, belonging, and worldview. It you’re operating within that mindset, “objective” feedback just doesn’t fit in. Worse, it’s easily perceived as threatening. Yes, Asians will do what American corporations ask (Asian cultures emphasize harmony and respect for authority), and they might reap some benefit from doing so. But gathering objective feedback from others in order to foster one’s own “performance enhancement” is not an authentically Asian way of doing things.

The Asian way of doing things has been around far longer than our American way of doing things. So if we’re determined to become genuinely global, we’re going to need to pause long enough to discover in depth and detail how Asians think about leaders and leadership – and about how other peoples, as well, think about leaders and leadership. As revealed by the GLOBE research,9 there are differences – and even similarities! – in how business leadership is perceived and carried out around the world. When we can begin to understand those other mindsets, and to integrate the most effective of them with our own mindset into a Third Way, only then will we be able to claim with good reason that we are “global.” Doing this will require letting go of our export model, which cannot happen until we let go of UNIVERSALISM.

Thank you to Dr. Lynda Spielman for her contributions to this paper.

Authors’ Note: Formal copyright protection for this paper has been acquired from the U.S. Library of Congress.

Three appendices follow:

1. Resources. Additional related information available from GROVEWELL LLC

2. Research Overview. How we carried out the DIAD research for AT&T

3. A Parallel Case: International Educational Development. An overview of the issues that arose during another effort to globalize American values and practices.

---

9 Global Leadership and Organizational Behavior Effectiveness, an 11-year, 62-nation research effort directed from the University of Pennsylvania’s Wharton School. Visit www.grovewell.com/GLOBE.
Appendix 1: Resources

Obtain via post (contact info@grovewell.com) or read at Grovewell.com/Know.

Grovewell.com/Lead. At this page of GROVEWELL’s website is a link to an overview of our services in partnership with CFGU (Partnership for Global Understanding). This partnership is dedicated to the wise, culturally calibrated globalization of American diversity & inclusion.


*Final Report of the DIAD Project*, 77-page report with an 11-page *Executive Summary*, by C. Grove & W. Hallowell, prepared for AT&T, January 1994 [DIAD = Diversity International And Domestic]. Obtain via post from GROVEWELL. The *Executive Summary* is free. The 77-page report is USD $25.00.

Appendix 2: Research Overview

As our principal information-gathering method, we relied on extended open-ended interviews with AT&T professionals closely associated with each of the four nations, including both local nationals and long-resident expatriates. (We conducted all interviews in New Jersey at times when the interviewees were there on business.) In all, 15 extended interviews were conducted. No survey methods were employed. In addition to carrying out lengthy interviews, we consulted periodicals and books about each of the four national cultures as well as about diversity initiatives and programs in the U.S. The project was named “Diversity International And Domestic,” or DIAD.

Appendix 3: A Parallel Case: International Educational Development

U.S. corporations are not the first to encounter an ethical dilemma when sharing their values and practices abroad. The American educational establishment faced a remarkably similar outcome when it attempted to globally disseminate its customary teaching practices.
Our nation has found herself confronted by a great problem dealing with a people who neither know nor understand the underlying principles of our civilization, yet who, for our mutual happiness and liberty, must be brought into accord with us.10

That declaration was not spoken by a U.S. president, senator, or ambassador, but by a classroom teacher, Adeline Knapp. She was one of tens of thousands of teachers who were sent abroad during the first half of the 20th century on a mission of unabashed UNIVERSALISM: to bring supposedly benighted foreign peoples into alignment with the American way of classroom instruction.

The research of Jonathan Zimmermann, a professor at New York University, reveals that those teachers gradually saw that they were immersed in a value conflict, an ethical dilemma. This dilemma pitted TOLERANCE & RESPECT for local uniqueness against a belief grounded in UNIVERSALISM that there’s in one best way to teach all learners everywhere.11

Zimmerman writes that...

In the post-World War II period, the promulgation of [American classroom methods] came into conflict with the values of cultural tolerance, equality, and democracy. If the American ideal was to “celebrate difference” and to eschew “dogma,” why, exactly, should Americans promote their own dogmas of critical thinking, “active learning,” and the like? Should they not tolerate – or even celebrate – peoples and cultures with different educational traditions and techniques?12

Zimmerman also found that most expatriated American teachers eventually concluded that their methods were ineffective abroad. Not only did the teachers encounter an ethical barrier to their well-intentioned efforts, they also encountered a practical one: Their typical classroom methods usually turned out to be ineffective with indigenous children.


11 "On the one hand, teachers were urged to introduce new, child-centered methods of instruction, and on the other hand, they were instructed to respect and even preserve the venerable culture of their hosts. Yet the very doctrines of the American Method frequently clashed with local cultures, where role learning – and strict discipline – predominated. [The teachers experienced] a profound and often painful tension between their twin goals.” Zimmerman, p. 25

12 Zimmerman, p. 49; italics in original.