New initiatives aimed at “managing diversity” achieve lasting effects. All too often, they confuse work done to increase diversity representation with the critical, and more difficult task of inclusion; that is, developing the potential and harnessing the capabilities of the full range of employees represented. This article emphasizes the distinction between two terms often used interchangeably—diversity and inclusion—and argues for the strategic primacy of the latter in 21st century corporate competitiveness and success.

“Diversity” has been, and remains, an important concept. But as a framework for thinking about the range of issues related to full participation of people from different groups—perhaps the most critical global issue we face—it is limited, and we must be careful about loading too much onto it. I will offer a new, and more sharply drawn definition of diversity: Diversity is a measure of the demographic complexity in a particular environment, and the harmony between the different groups represented.

A diverse environment is one with meaningful representation from groups that differ in socially significant ways. In everyday usage (at least in the U.S.), our idea of diversity goes one, crucial step further; when we say an institution or any other social unit is diverse, we make an assumption that the relations between groups are characterized by more or less peaceful coexistence—that is, not subject to open hostility, or the expectation of violence. Most of us don’t think of societies engaged in open ethnic or religious conflict, for example, as diverse—even if the combatants live in close physical proximity. By this definition, the United States today is diverse. Kosovo, Rwanda and Northern Ireland are not, even though different groups live in close proximity in all three societies. It should be noted that the idea of “peaceful coexistence” need not denote a total absence of inter-group tensions or strains—just the absence of outright hostility or aggression.

Following this logic, in corporate America over the past few decades “diversity” has come to signify something very specific—namely a workforce roughly representative of the diversity of our society, operating in more or less peaceful coexistence. Given the fact that, until recently, white men dominated corporate America, most “diversity programs” have thus focused on achieving greater representation of previously underrepresented groups, and working to ensure their peaceful coexistence. Toward that end, companies have worked to recruit and retain greater numbers of women and people of color and, perhaps, to acknowledge that not all sexual orientations are hetero. These efforts have been motivated by a range of needs and objectives, from avoidance of litigation, to a desire to have workforces that reflect customer bases, to strongly felt moral imperatives of fairness and equity.
Increasing workplace diversity is obviously important, but we must be clear about what it does not do: greater representation does not guarantee that members of previously excluded groups will enjoy engagement in the important work of the business, or increased learning opportunities, or stronger contributions to the bottom line. These objectives—engagement, learning and contribution—might be called stage two objectives, which only come into full focus after a reasonable degree of diversity has been achieved. In stage two, inclusion takes center stage. In simple terms, if diversity is a measure of what kinds of people are represented, inclusion is a measure of where people are placed, what they are learning to do, and the quality of the support they get from managers and peers. Inclusion happens at an organization’s leading edge; in assignments in core businesses and critical functions, projects to improve products or processes, or forays into new markets—the positions where people can learn how their business works, and how it is changing. These assignments represent “platforms for learning”, where people learn new skills and gain insights that increase their long-term value to the organization. They are the prizes in the drive for inclusion.

The prizes are not equitably distributed in most organizations. Members of favored groups are far more likely to be in such positions, and be supported in their participation, and members of less favored groups are far more likely to be excluded, or, if included, to be isolated and unsupported. Exclusion and lack of support work in a variety of ways, including high turnover rates among women and people of color (the “revolving door” phenomenon) resulting in people leaving the business before they can really learn it; “glass ceilings” where they rarely attain positions of responsibility at the leading edge; and the related phenomenon of “stacking,” where minorities and women are greatly over-represented in non-strategic areas of the business, and under-represented in more strategic areas. And then there is the problem of “backlash,” where aggressive initiatives to break “the glass ceiling” and distribute important assignments more equitably trigger accusations of lowered standards and “reverse discrimination” from traditionally favored employees, often accompanied by rejection and isolation of those regarded as undeserving. Backlash is an effective mechanism for maintaining the status quo.

In reality, no one starts out qualified for challenging, critical assignments. People become qualified by getting shots at such assignments, and receiving support—including support after failure (“Dust yourself off, son. Go out there and try it again.”). Demanding that people prove themselves qualified before being given challenging assignments, and placing them in work environments that deny them support, ensure that they will never be qualified, and will be forever foreclosed.

These problems are commonly mislabeled “diversity issues;” they are better understood as inclusion issues, phenomena that have the effect of keeping people well back from the leading edge of learning and development. They suggest marching orders for the critical second stage: we must refine and sharpen the way we think about, talk about and approach our great national (and global) concern for equality. Unbundling the terms “diversity” and “inclusion” is an important beginning.

Diversity, understood as representation and peaceful coexistence, is the first step, something all serious organizations must hold themselves accountable to achieve. Inclusion, the drive to ensure that members of all represented groups are placed in positions that promote important learning, and strongly supported in these positions, is the second stage. And I believe it is the payoff, the real prize of all our efforts in this arena.