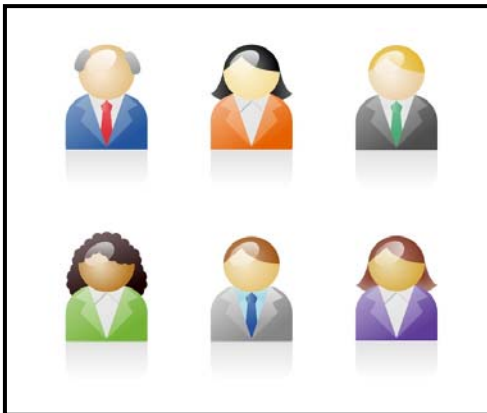


Divide – and Prosper?

How Media Companies Can Use Affinity Groups to Promote Diversity

By Rebecca Kuiken and Larry Olmstead



Over the past decade, IBM has grown business dramatically in minority markets by focusing on diversity in its own workforce. Its core diversity strategy centers on “affinity groups” – employee networks based on such characteristics as ethnicity, gender and sexual orientation.

IBM is not alone. Diversity Best Practices, a consulting and research firm, says affinity groups are in place, or envisioned, at about 90 percent of the Fortune 500. Companies like Aetna, Cisco and Nike have long benefited from such groups.

Oddly, the media industry has been slow to join this bandwagon. In preparing this report for the National Association of Minority Media Executives, Leading Edge Associates sent questionnaires to at least three dozen media companies and surfaced only a handful of examples of active, formal affinity groups.

Media firms may want to take a closer look. Affinity groups are a relatively low-cost way to create high value in diversity efforts. Best-practice companies report the following benefits:

Opportunities for new revenue. Affinity groups can help identify marketing opportunities and tactics for reaching customers. In a 2004 Harvard Business Review article, Prof. David A. Thomas reported that IBM’s People With Disability network helped shape a strategy for making the company’s products more broadly accessible. That effort, he said, will produce more than a billion dollars in revenue over 10 years.

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Improved employee retention.

Numerous studies show that good employees are more likely to stay at a firm if they develop strong relationships with co-workers and if they feel management is sensitive to their needs.

Opportunities for mentoring and coaching. Employees can use affinity groups to get advice and counsel from people with common backgrounds and interests, increasing the level of candor and trust.

Opportunities for senior-level involvement through sponsorships and mentoring. Affinity groups provide a vehicle for senior executives to identify and engage with high-potential performers through mentoring relationships and through collaborations on specific strategic projects.

Leadership development. Affinity groups provide leadership opportunities for members, and can assist in development of cross-cultural knowledge and communications skills for senior executives who interact with the groups.

Improved community outreach. Affinity groups can help companies refine their message to the community. Members can tap into their knowledge and contacts to help companies in their business and philanthropic efforts.

This list of benefits suggests that media companies could tap into affinity groups as a strategy for re-energizing diversity efforts – and leveraging diversity for bottom-line impact – at a time when talent management and pursuit of new revenue streams are critical issues.

So why isn't the concept in fuller use among newspapers and broadcast houses?

Media managers approached by Leading Edge most often cited these reasons:

- Their company's employee base – in particular, the minority base – was too small to support such groups.
- Concern that creation of such groups could set back diversity efforts by dividing employees, rather than uniting them and getting them to work together.
- Wariness over employees organizing for any reason, due to labor relations concerns.
- Creation and support of affinity groups had simply not emerged as a big enough priority to rise to the top of executives' to-do lists.

Clearly, affinity groups are not a diversity cure-all for any company – generally, no one strategy, used alone, will be decisive in corporate diversity efforts. And use of affinity groups has not been a fine-edged, precise tool. Many companies, even those that are enthusiastic supporters of the concept, have difficulty measuring the tangible results of affinity groups, or citing specific examples of bottom-line impact.

Nevertheless, best-practice firms have, with patience, overcome many of these challenges.

Diversity as a Business Imperative

Any diversity initiative is unlikely to succeed if the company does not believe diversity is a key business priority.

Diversity has seen resurgent interest in executive suites as the link to business performance becomes clearer.

Census estimates show that in May 2007, the United States' minority population reached 100.7 million, up from 98.3 million a year ago. That represents about a third of the nation's population. There are more minorities in the U.S. today than there were people in the entire country in 1910, the U.S. Census Bureau says. The minority population in the U.S. is larger than the total population of all but 11 countries.

According to 2006 data, Hispanics are the largest minority group, with 44.3 million. Blacks totaled 40.2 million in 2006. There were 14.9 million Asians. The American Indian and Alaska Native populations totaled 4.5 million. The Native Hawaiian and Other Pacific Islander count was about one million.

Businesses look at those numbers and the dollars that come with them:

- African Americans in the U.S. earned \$679 billion in 2004. If African-American buying power were a country, it would rank 10th in the world, ahead of India, South Korea, Mexico, Australia and Brazil.
- The buying power of Hispanics, estimated at \$736 billion in 2005, is expected to reach \$1.87 trillion by 2010.
- The nation's Asian-American buying power will grow from \$363 billion in 2004 to \$528 billion in 2009.



The buying power of Hispanics and other ethnic groups continues to grow rapidly.

Engaging in sound diversity practices long ago surpassed being a matter of fairness or good public relations. Top executives in many sectors – among them, consumer products and financial services – understand they need a work force that reflects the changing demographics of customers. They need to attract and retain talent that embraces diversity, in order to compete in the marketplace of ideas, products and services.

Sponsorship of affinity groups has been a welcome strategy because it supports these business imperatives in multiple ways, and at relatively little cost. The presence of such groups sends a message of inclusion to employees who might otherwise feel left out of the power loop. Such groups can serve as sounding boards for executives. Often they are important resources, enabling top executives to locate business contacts in minority communities. These groups also can be used to help identify and groom future leaders – leaders who can develop products and services that grow market share among emerging communities.

According to Prof. Thomas, when IBM first set up its employee task forces, it asked for reports back on four questions that still stand as a template for making a strong business connection:

- What is necessary for your constituency to feel welcome and valued?
- What can the corporation do, in partnership with your group, to maximize your constituency's productivity?
- What can the corporation do to influence your constituency's buying decisions, so that it is seen as a preferred solution provider?
- Which external organizations should the corporation form relationships with to better understand the needs of your constituency?

Successes at Time Inc.

Jeannie Park, executive editor at People Magazine and a founding member of A3, the Asian-American affinity group for parent company Time Inc., said affinity groups were a big help in providing the community outreach that publications need to determine reader needs and desires.

"Affinity groups offer an incredible community benefit," Park said. "It is the one initiative that has had the biggest effect. Primarily, the networks provide a forum for community and help people to feel connected and supported."

A3 also has had a clear internal impact. The group sponsors seminars on career issues and provides mentoring programs. The group also hosts lunches and other events that allow members to meet high-

level executives. During Asian Heritage Month, A3 organizes exhibits of Asian photographers.

Corporate support is vital, Park said. "While various informal versions of these networks existed over the years, it was not until corporate support and funding arrived that they really took off."



Jeannie Park, executive editor at People Magazine, says affinity groups have helped parent company Time Inc. improve its community outreach.

Time Inc., like many companies, provides funding to cover items such as refreshments and printing. The human resources department helps by supplying names of potential members to A3 and other groups, which represent Hispanic, African-American and GLBT employees.

Park said senior level executives now are "adopting" affinity groups, in order to open up direct access to the executive suite, thus providing groups the means and support by which to accomplish

specific goals. Senior management operates the Diversity Council, comprised of the presidents of affinity groups and ranking editors. The council met twice in the last year. Such corporate support is standard for successful affinity programs.

NBC Universal also has had success with affinity groups. Ethan “Tony” Loney, director of compliance and diversity, said networks have been organized that represent African-Americans, Hispanics, Asians, women and GLBT employees and their allies.

At NBC Universal, the affinity effort has focused on development “through coaching, mentoring and networking with employees and senior management,” Loney said. “In addition, they are a major force in driving recruitment and retention of top talent in the organization.”

America Online also has successfully deployed what it calls Business Resource Groups. “Some of the BRGs – like Black Employees at AOL, AOL Latino, Asian Interest Groups – have served as focus groups to help develop/launch appropriate online content areas,” said Tiane Mitchell Gordon, VP/diversity and inclusion at AOL. Even with the specific business focus, quantifying the impact has been tricky. “BRGs are influencers, so it’s difficult to talk about one specific achievement, as the impact is ongoing,” Gordon said.

Elsewhere in the media, a mixed view

Park’s enthusiasm – and the successes enjoyed by Time, AOL and NBC

Universal – have been replicated in relatively few places in the media. “For many in the industry, there has been minimal to no consideration, mainly due to the size of the organization and the amount of people of color on staff,” said Shaunice Hawkins, diversity director for the Magazine Publishers of America.

Hawkins agreed that affinity groups offer many benefits. Those present in the magazine business have helped support recruitment and retention efforts. “Most incorporate the company’s business plans and goals into their missions,” she said.

But Hawkins believes that affinity groups are not for every company. “If the organization has diversity integrated into its mission and annual goals and everyone on staff is a valued and equal contributor, then such groups could prove more polarizing than helpful,” she said.

Gannett Co. is the nation’s largest publisher and acknowledged diversity leader among newspaper companies. “We are not aware of any affinity groups operating within Gannett,” said Virgil Smith, VP/talent management.

Smith does not believe Gannett would benefit from such groups. “Affinity groups tend to focus around the commonality of race or other demographic characteristics,” he said. “To achieve our goals, we strongly believe that a diverse work force positions us to better address the diverse markets and consumers we serve. Thus, the affinity group concept does not fit in our belief that ‘diversity includes everyone and diversity drives innovation.’ ”

Emily Chambers, VP/human resources for Cox Ohio Publishing, said her company has a blended Diversity Council that allows for representation from different groups.

“Our organization has a small minority population (17 percent of 1,400), with the majority of those positions being at the lower levels of the organization,” she said. “Because of this, I don’t think a formal group would be beneficial to us at this time.”

One manager at a media company, who asked to remain unidentified, said women managers had formed a group at one time, resulting in some mentoring relationships. The group “also highlighted diverse management styles for women, and showed that while we were all women ... we are still different.” The group disbanded about three years ago, partly because “current newsroom leadership (was) concerned about the exclusion of white males. White males were invited to the lunches or activities, but never participated.”

The manager added: “There’s still a certain amount of suspicion when minority groups are formed in the workplace – be it formal or informal. The company’s leaders still don’t understand the need for additional support and how it ultimately builds a better environment for everyone. And, often employees have grown frustrated and unmotivated, continuing to explain their needs over and over.”

Many media executives said that, while creation of such groups had not been pursued formally in their organizations, they had clear potential value.



Greg Moore, editor of the Denver Post, would not be opposed to affinity groups organizing at his newspaper.

Greg Moore, editor of the Denver Post, said there have been no attempts by employees to organize affinity groups, “but I would not be opposed.” Affinity groups “are a means of being alerted to issues early that might have huge impact on the morale or performance of an organization,” he said. “They are also a means of support for members of the group. I think they are very valuable.”

Peter Bhatia, executive editor of the Oregonian in Portland, said his newspaper was among those firms that had a standing Diversity Committee. Affinity groups operate in a “very informal” way at his newspaper, alerting management to issues that might have otherwise escaped its notice or received scant attention.

“The best example may be a group of staffers who came together and lobbied management to create an internship in the name of a former editor who died of cancer,” Bhatia said. “The internship over the years has grown into a nice tradition and some of its ‘founders’ still watch over it.” He noted that while the late editor was an African-American, many of the

champions of the internships were not. “So it was kind of a cross-cultural affinity group, if you will.”

IBM was a trailblazer

Outside the media, IBM offers a good example of how affinity groups function in a company with a mature diversity program. IBM broke new ground in placing diversity at the center of a global company’s business strategy. It began with Lou Gerstner, then CEO, and Ted Childs, diversity chief, who launched eight executive level task forces in 1995. Two years later, these task forces asked that the company allow all employees the opportunity to engage in diversity efforts. Thus, the employee networks were born.

IBM’s eight core employee groups are Asian, Black, GLBT, Hispanic, Men, Native American, People with Disabilities, and Women. Anita J. Rice, manager for multicultural and women’s initiatives, said formation of groups within the network structure involves an application process. The groups must meet certain guidelines.

“Applicants for local networks form leadership objectives such as career development or understanding a community,” she said. “They must have a business-practice focus, and an executive sponsor. The sponsor does not attend meetings, but would be the person that a group goes to for funding.”

In order to maintain consistency across its global network, any new group must be affiliated with one of the eight original networks. Rice said, “We do not want religious or political groups. However, anyone who wants to join a network can. Currently there are 200 diversity network

groups across the world. Locally, a person could belong to more than one group.”

In some companies, the bottom-line impact of affinity groups can be difficult to discern. Not so at IBM. According to Thomas’s article in the Harvard Business Review, input from the women’s network and other constituencies led to the establishment of the company’s Market Development organization that has focused on serving multicultural and women-owned businesses in the United States. In 1998, such efforts netted \$10 million; by 2003, according to Thomas, revenue was in the hundreds of millions.

IBM also significantly ramped up its supplier diversity program. “In 2003, IBM did business worth more than \$1.5 billion with over 500 diverse suppliers, up from \$370 million in 1998,” Thomas reported.

IBM’s networks have impact beyond the bottom line. They offer programs on leadership skills. Members network informally, and at times meet with new hires to provide information on the surrounding community.



Former IBM CEO Lou Gerstner, working with diversity chief Ted Childs, launched employee task forces that spawned a robust affinity-group initiative.

One group developed a “lunch and learn” program to better understand global diversity, Rice said. Topics included: “What is it like to be an Asian in India?” Groups also engage in community outreach. Poughkeepsie IBM volunteers, seeking to give back to the community, organized a reading program for non-English-speaking migrant children.

In some instances, IBM managers and network volunteers overlap their diversity efforts. During Black History Month, program managers look for opportunities to enhance knowledge inside and outside IBM. Group volunteers join corporate relations personnel to go into the schools to talk about science, technology and math. At the same time, affinity members may go into the community to talk about the significance of black scientists and leaders.

There is strong coordination between staff program managers and on-site affinity group leaders. Rice said. “There is a monthly call with the Diversity Network leaders where we talk about best practices with the individual program managers. There’s also a monthly call with diversity network groups across constituencies so that they share best practices.”

IBM recognizes that white men have a role to play in diversity efforts – and also that some issues unify men, regardless of ethnicity. “We’ve just revitalized the men’s network, initially named “white men network,” Rice said. “In collaboration with Working Mother media, we did a webcast on fatherhood.”

Cisco’s efforts began with women

Cisco Systems began its affinity groups in the aftermath of the 2001 Silicon Valley economic bust. Diane Bauer, senior manager for diversity and worldwide customer advocacy, said: “Cisco is a 22-year-old company. When we came up for air after the 2001 layoffs, we recognized there were issues of gender imbalance. At that time there were 20 percent women and 80 percent men. We said, ‘Let’s fix that.’ Cisco grew a strong and robust gender focus to better attract, develop and retain gender diversity. Thus, the first affinity group, the Women’s Action Network, was launched.”

Gender diversity has increased somewhat – the company now is about 30 percent female – and the women’s networks now are present throughout Cisco’s operations world-wide, Bauer said. “Historically, these have focused on best practices in mentoring and outreach.” There are programs such as “Girls in Technology,” which seek to spur interest in high-tech careers.

Today Cisco has five networks: Women, Asian, Black, GLBT and Latino. Each has a corporate sponsor who is at least a vice president. The sponsor represents the group on a diversity council and helps provide connections with Cisco executives.

Initially, the goal and purpose of these groups was to attract, develop and retain employees. Cisco also used the networks



Diane Bauer of Cisco Systems said its affinity-group initiatives began as a way of addressing gender under-representation in the workforce.

to promote company values like respect and work-life balance.

The groups make a mark with their mentoring and career development efforts. “There is a circle of leaders within the employee network from which mentors are drawn,” said Carin M. Taylor, senior manager of worldwide diversity. “The criteria used to match mentors and mentees are less formal than would be true from an HR standpoint.”

A significant benefit of employee networks is their cross-functional and cross-network nature. Through the networks, Cisco employees discover opportunities outside their business units and form alliances to help with challenging situations. Moreover, the networks themselves frequently join forces on topics of mutual concern: leadership and career development.

Cisco’s Latino employee network, Conexion, is its most robust. Conexion began as an employee-led effort to connect Latinos to mentors and to

develop and to offer community outreach. As Conexion has matured, it increasingly has been used to connect people beyond the Latino community.

Conexion president Rosie Cofre cited one example: Quarterly seminars are organized in partnership with other employee groups, on topics including leadership skills, mentoring, networking and project management.

Cofre said Conexion has benefited from clear structure and goals. “We’ve structured and managed ourselves as if we were an independent board,” she said. Positions include president, vice president, treasurer, director of operations, director of communications, director of professional development, director of university relations and director of business development.

“I’m adamant about referring to us as an employee resource group rather than a network or affinity group,” she said. “We’re interested in long-term thinking and fostering relationships.”

Conexion sponsors two mentoring programs. The first, 101 Mentoring, is a virtual six-month program that matches peers, or individual contributors to managers. The structured program has an application, a mentoring agreement and a survey. “We have a 99 percent completion rate and in 1-5 evaluations, it is scored 4.8,” Cofre says. “This program has now opened up to all the employee resource groups.”

A 12-week program, “Mentoring Journeys,” helps people move to a new stage in their career development. Again,



Rosie Cofre, head of Cisco's Hispanic affinity network, says it has collaborated with other groups on leadership and mentoring programs.

the program has a Latino focus, but anyone can participate. Cofre said, "You never know why someone is interested in joining. It may be because they speak Spanish, love salsa, or lived in Latin America at some time in their lives."

Finally, Conexion assists Cisco with "reverse mentoring," in which top executives are mentored by network members so they might more fully understand the needs of a diverse community.

On the business development side, one of the network's 2007 goals, she said, was to "foster relationships with reseller partners to help Cisco penetrate the U.S. Hispanic Emerging Markets." Conexion members went to Los Angeles, where they invited small- to medium business owners to talk about how Cisco's products impact the Internet. The conversation led to successful business partnerships within the local community, Cofre said.

In May 2007, Cisco launched a branding campaign, "Welcome to the Human Network," which further connected diversity to the business case.

"Diversity is linked to growth, team productivity and innovation," said Bauer, the diversity manager. "Where years ago, the employee networks were a ground-up operation, now they are valued and respected communities that go to the heart of our culture and voice."

Tips for launching affinity groups

Here are points to keep in mind when considering the introduction – or re-energizing – of affinity groups in your organization.

Purpose: What is the goal of creating the groups? Are you looking to boost employee retention? Address unhappy employees? Seeking to tie diversity to the bottom line? Having clarity of purpose will help in deciding how to go about setting up and supporting the groups. Also, consider whether affinity groups are the right tool for the job – other diversity initiatives may work as well.

Ownership and legitimacy: The best affinity groups are volunteer organizations. Management can help create them, but must avoid being seen as being the principal drivers. If you are contemplating affinity groups, hold discussions with legitimate opinion leaders within that employee population.

Link the effort to business objectives: This helps provide focus and direction for the groups and ensures that participants

understand management's commitment to employing diverse talent and pursuing untapped market opportunities.

Ensure that membership and participation is open to all: This is a key best practice. It helps avoid the perception of exclusion; helps the group find resources and allies, and addresses the reality that some people might want to join a GLBT group, for example, simply because they are interested in knowing more about gay culture.

Enable interaction among the groups: This allows for the groups to make the most of available resources, and ensures an atmosphere of inclusion and collaboration, rather than exclusion and competition.

Engage senior executives: Make sure they buy into the idea and serve as advocates, sponsors and mentors.

Provide a liaison with Human Resources, or with any manager who can help the group navigate the company bureaucracy in order to execute its ideas.

No whining: "Don't let it be used as a place to gripe, or to replace established human resources processes," said Ethan Loney of NBC Universal.

Open the pocketbook: Even a little funding support can help affinity groups establish events and services that further the organization's aims, such as sponsorship of speakers and social events that allow company employees to meet key customers and community leaders.

Establish criteria: Most companies avoid groups with political or religious purposes. Make it clear from the outset what kind of groups the company will support, and why. Affinity groups should represent constituencies that speak directly to the company's business needs and opportunities.

Provide support for leadership development and mentoring: Encourage group members to coach one another, and provide ways both formal and informal for the group to link with the company's development and mentoring efforts.

Look outside the walls: Affinity groups can provide an important boost to the organization's external relations efforts, whether they are in the areas of philanthropy, community outreach or development of cultural- or gender-sensitive products or services.

The National Association of Minority Media Executives seeks to increase diversity in the senior ranks of the media industry; provide executive training and development to members, and create forums and alliances that help find solutions to critical multicultural issues in the media business. NAMME, based in McLean, VA, can be visited on the web at www.namme.org. Toni Laws, executive director of NAMME, was contributing editor for this report.

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