



Why Diversity Matters: Leadership Lessons From the Lone Star State

By Tim Tokarczyk, Lauren Ramsay and Emily Livorsi

Key lessons on how to create an inclusive and diverse corporate culture.

Texas has always had a larger-than-life persona. Whether it's the well-known slogans, its sheer size, "America's Team" or the state's many contributions to American culture, Texas has historically loomed large in the public consciousness. As leaders, can we learn something from the Lone Star State?

It certainly offers us an interesting case study. The state is one of the fastest-growing in the country. According to the U.S. Census Bureau, between July of 2015 and 2016, the population of Texas grew by more than 430,000—a number higher than the growth in any other state in the country. And it's not just numbers of people that are increasing; diversity in Texas is exploding. Hispanics are the fastest-growing demographic (now making up 38% of the population) and will be the largest demographic group in Texas by 2020.¹ At that point, Texas will be a "minority majority" state.

Texas is also home to many immigrants, and in 2015, 66.9% of new foreign-born immigrants to Texas were of Latino origin.²

It's not just people, though. Construction projects are up too. According to [Texas Contractor](#), "For FY 2017, TxDOT has slated approximately \$5 billion toward traditional-delivery construction projects and another \$2.5 billion for design-build construction projects. Last August, TxDOT gained an unprecedented budgetary advantage

¹ Block, Melissa. "As Texas gets more diverse, educators grab the bull by the horns." Apr. 1, 2014. <http://www.npr.org/2014/04/01/297719334/as-state-diversifies-texas-educators-grab-the-bull-by-the-horns>

² DePillis, Lydia. "Texas again tops the nation in population growth." Dec. 20, 2016. <http://www.chron.com/business/texanomics/article/Texas-again-tops-the-nation-in-population-growth-10809552.php>



when the Texas Transportation Commission approved the 2017 Unified Transportation Program (UTP), which dedicates \$70 billion in anticipated funding to major transportation projects and programs over the course of the next decade.”³

There’s a lot happening in Texas, and for leaders in the industry, there are significant lessons to be learned. Here are three that every E&C firm should be aware of:

1. Leveraging Diversity Pays Off

Whether you are leading in Texas or elsewhere in the U.S., managing diverse groups of people will become the “new norm” in the coming decades. Today, the differences among people account for one of the largest leadership challenges we routinely face. If you could lead a team of people who think and act just like you do, leadership would be easy. You would simply show up, do what comes naturally to you, and your employees would respond positively. However, while our differences and diversity create leadership challenges, they also create exceptional opportunities if we can leverage them. Harnessing different perspectives and approaches leads to better results.

As leaders, how can we overcome the challenges of diversity and use it for our benefit?

Think about the last several challenges you faced as a leader. Most of them were likely rooted in differences of opinion. Perhaps two of your direct reports were engaged in conflict, or your team was split on how to address a strategic issue your company was facing. Perhaps you were struggling with an owner who just didn’t see things the way you did. Different perspectives may feel like a constant obstacle and can be heightened in the pressure cooker that is the construction industry. But by seeking to understand these different perspectives—and embracing them—your organization can be more innovative. In fact, according to a study published in the journal [“Economic Geography”](#) “businesses run by culturally diverse teams are more likely to create new products than homogeneous ones.”

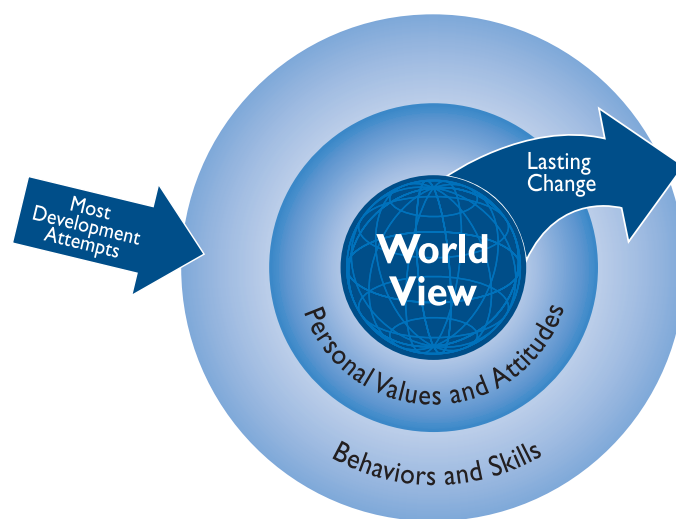
This is an opportunity for you to be able to better serve your diverse customers, investors, employees and the community, which ultimately drives business growth.

³ Bender, Erica. “2017 Texas Construction Industry Forecast” Jan 2017. <http://texascontractor.acppubs.com/trends/2017-texas-construction-industry-forecast/>

2. Worldview Drives What People Want

Because people have their own unique worldview, they also have different perspectives (Exhibit 1). We define a worldview as the set of beliefs and assumptions each person holds, consciously and unconsciously, about how the world operates and how we operate in the world. Your worldview is heavily influenced by your background and experiences. As the demographics of our society and organizations shift, the dominant worldview may also change. However, even if a worldview may be common in one ethnic group, for example, you'll still find two people of similar backgrounds who have different worldviews. Our worldviews are shaped by the total of our experiences. For example, two people with very similar backgrounds will still have had different family experiences; different travel experiences; different teachers, coaches and mentors. All of their unique experiences will lead them to view the world in their own way, even though they share much in common.

Exhibit 1. Impact of World View



Source: FMI Center for Strategic Leadership

Texas' booming diversity is an example of the leadership challenges we will all face as we become a more diverse industry. Imagine how the varied experiences of a diverse, multicultural team will impact each member's worldview. Given the differences in worldview that you are likely to face among your teams, customers, investors and the community as a whole, you will need to find ways to embrace differences. And as a leader, you need to navigate those differences to build a unified, aligned and coherent team.

While this may feel like an insurmountable challenge, great leaders accomplish it every day with the teams they're working with industrywide. The best leaders intentionally acknowledge that our people will have alternative ideas and needs than ours. Great leaders recognize that the best teams don't all think alike, yet so many leaders get tripped up when they assume everyone thinks like them. Leaders have two choices—they can lead with a "my way or the highway" style (a path that far too many leaders select), or they can acknowledge that they don't have all the answers and encourage their teams to share their ideas. This can be a powerful source of new ideas, innovations and potentially competitive advantages.

Great leaders also recognize that the individuals on their teams have different needs and preferences. This is the employee value proposition, or what your employees "care about." By better understanding what team members value, you will be better-positioned to offer what they appreciate. That might be more or less structure in how they do their work, public recognition, a cash bonus, time to volunteer in the community, family involvement in company events or appreciation for their part in building the larger whole.

3. It's Time to Plan for Ownership Transfer and Succession Management

Texas certainly has a leg up on much of the rest of the country in terms of diversity, and that fact will present great opportunities only if leaders can overcome the challenges outlined in this article. One of the interesting areas for further exploration involves succession management. As baby boomers retire and exit the industry, organizations will increasingly need to turn to the next generation for company leadership. The competencies required to lead multicultural teams are different and must be factored in when selecting future leaders.

Companies also need to take a careful look at the internal leadership pipeline and ensure that they have pools of potential future leaders who can be trained to lead diverse organizations in a rapidly changing industry. That pipeline must include candidates who not only have insight and empathy but also can embrace different worldviews. There should be no barriers in career progression opportunities across backgrounds. Companies should also assess their leadership development structures and ask themselves if they truly have the processes and tools in place that will allow them to develop the leadership skills and technical skills necessary in the future. Being thoughtful and intentional about these issues will help the organization make a smooth transition in leadership and ownership when the time comes.

How to Get Started With Creating an Inclusive, Diverse Corporate Culture

Simply put, diversity is about differences and mutual respect for those differences. It's about creating a culture where each individual can thrive and be productive. Achieving that goal requires a number of steps. Here are six ways to get started:

1. **Start with total buy-in from the top.** Leaders and executives must show complete commitment that they value and respect all members of the organization (as well as its clients, vendors and other stakeholders) through their actions and words.
2. **Obtain buy-in from all levels.** Employees from all levels of the organization should be included in the very early stages of diversity planning. Planning groups and action teams should have representative participation of most primary, secondary and organizational dimensions where possible. Although 100% direct inclusion is seldom possible, representative inclusion is almost always possible with some creative thinking.
3. **Link diversity to the organization's strategic goals.** Diversity plans that are tied directly to a company's strategic business plans have a much better chance of succeeding than those that are not.
4. **Encourage continuous learning.** While training is not the only factor in creating a successful diversity program, it is an important part of the process. Programs must be carefully planned and relevant to the organization, as many of the topics that arise during diversity training can be extremely sensitive to some employees. Use experienced facilitators whenever possible.
5. **Make diversity part of individual performance appraisals.** Communicating performance expectations regarding diversity helps to build accountability into the process and also shows organizational commitment.

6. Recognize that diversity is not just about differences, but also about flexibility.

Employees who are offered flexible benefits, flexible scheduling and an equitable balance between their work and personal lives are more likely to have higher morale and greater productivity, and typically will stay with the company longer.

Texas firms have embraced the state's diversity and are working to integrate differing worldviews into their operations. As they find ways to meet the needs of diverse clients, employees and other stakeholders, those companies are growing and thriving. Finally, firms that are at the top of their games are being intentional about planning for succession and ownership transfer that will support a sustainable business well into the future.

A company that values diversity reflects today's changing world and marketplace and creates a fair, safe and legal environment where everyone has access to opportunities and challenges.



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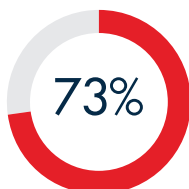
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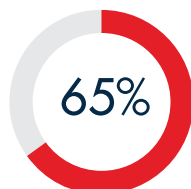
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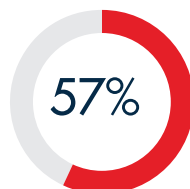
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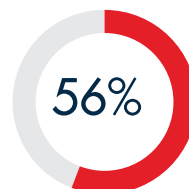
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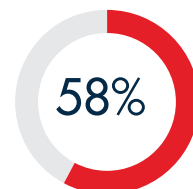
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