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Session 122TS Managing Diversity in the Workplace

Track: Management and Personal Development

Instructor: MAURICIO VELASQUEZ†

Chairperson: TYREE S. WOOLDRIGE

Recorder: CHRISTOPHER D. RUCKMAN

Summary: *Managing diversity is not only about creating an environment to fully utilize an increasingly diverse workforce. It is also about business issues such as achieving and sustaining a competitive advantage in the environment of a diverse customer base. Managing diversity is not just the responsibility of the human resources department. Everyone is responsible for creating an atmosphere in which interpersonal differences are valued and respected.*

MR. TYREE S. WOOLDRIDGE: We have with us today Mauricio Velasquez, who will discuss the timely subject of diversity. I heard Mauricio a couple of years ago at General Electric (GE), and I was very impressed with him.

Whether you've come to this session out of a sense of moral imperative, to address a business initiative, or just a desire to treat everybody as equals, this session will open your eyes to a new way of thinking about the subject. This happened to me when I took the course, and I certainly invite you to do the same.

Mauricio is a scholar with degrees from both the University of Virginia and George Washington University. As an authority on the subject, he was an executive coach. Mauricio is also a nationally recognized author with articles appearing in local, regional and national publications including American Society for Training and Development and Society for Human Resources Management publications, and the newsletter, *Managing Diversity*.

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†Mauricio Velasquez, not a member of the sponsoring organizations, works for the Diversity Training Group in Herndon, VA.

He's a teacher at American University, at Johns Hopkins University, George Washington University, George Mason University, and a couple of community colleges. He's been featured all over the United States in magazines such as *Franchising*, *Improv*, *The Scientist*, *Overhaul & Maintenance*, *Graduating Engineer* and *Baltimore Business Journal*.

MR. MAURICIO VELASQUEZ: This session, for my clients, is typically a beginning. It's an introspective kind of workshop, where people are asked to look inside themselves. I believe that before you can understand others you must first understand yourself. So sometimes there are individual issues that I help people with, using one-on-one coaching.

Sometimes there are group issues, organizational issues and cultural issues, so keep in mind that when we do diversity training in my field—corporate America—it's just a beginning. It's introspective; if it stops provoking you, you'll see why this is an opportunity to talk about these things. And usually we have sessions with a cross-section of people from the different organizations participating in this kind of session. Therefore, there are all kinds of ideas pumping through.

I have a lot of clients who are only beginning to acknowledge the diversity issues that have been percolating in their environment for years—sometimes decades. They are finally saying, "We're going to do something about it."

So I will argue that it's critical to your long-term success as an organization, whether your employee base or your customer base changes. The demographics of our country tell us a very, very, interesting story. This includes the Census 2000 data, which have been staggering well beyond our wildest dreams.

This session is not a quick fix. With diversity training, I am not a big believer in just doing a half-day workshop—inoculating everybody and the issues go away. We're very committed to what we call holistic approaches to diversity in the workplace. That means there are a strategy and a plan in place. This workshop is not a quick fix.

I recommend that you don't hire a confrontational diversity trainer. These are people who like to get up on their soapboxes and get righteous and blame you for the wrongs of your forefathers. We don't do that kind of work. That is not good diversity training, in my opinion. This work is not about focusing on the problems. You can look in the newspaper or on TV almost every day from Georgia Power to Coca-Cola to Denny's, Eddie Bauer, Aberdeen, Salomon Smith Barney and Merrill Lynch, among others—a Hall of Fame, if you will, of organizations that ignore these issues. You don't want to be on that list.

This is not a fad. Some people think that this field, this movement, this training, is a fad. That is nonsense. Due to the September 11 attack we're doing a lot more

consulting in the area of hate crimes and employee-to-employee issues that really didn't exist before. "

Diversity is all of the ways we're different—all of our human differences. I'll give you an easy, quick definition of all of the ways we differ.

First, I will make two remarks. The first one is, if I ask you what you know about this topic of diversity, you can tell me what you know. You came to this session with some ideas and pre-conceived notions. If I ask you what you don't know, you might say, "There's a lot that I don't know."

But if I ask you what you don't know about diversity in the workplace, what can you tell me? Nothing. That is because *you don't know what you don't know*. A lot of people think they know what diversity is, but they really have no clue.

I'm telling you to be open to what you don't know about this topic. I'm going to define it for you today and get us all on the same page. Those people who think they understand the issue but they really don't are closed-minded people. There is *what you know, what you don't know, and what you don't know you don't know*. It's more interesting to work with open-minded clients, managers, leaders and executives, and not closed-minded individuals. Closed-mindedness leads to one's demise—especially in the courtroom.

We all mean well, but diversity training is about how we actually treat each other, including our employees. It's not uncommon to do a one-on-one coaching session with a person who has gotten into all kinds of trouble. It's usually an executive who has left a wake of employee-relations issues; there's usually all kinds of evidence in e-mails, note pads, witnesses, etc.

The objective is to bring this person down to earth. I'll meet with him, break him down, and put him back together. Then the customer will ask me, flat out, "Should we fire this guy or should we keep him?" At the end of the day I'm asked to give a recommendation to the employer.

The person I coach is usually the most difficult, ornery type of predator at work, whose actions are way beyond harassment. This person may break them all left and right, and think he or she is too high up in the organization, and too desirable to their employer to get fired.

The first thing I ask is, "Do you know why I'm here?" Typically they say to me, "I have no idea why you're here, and quite frankly I don't care, because I don't need this." I always start by saying to the person I'm coaching, that the first problem is that you have no idea why I've been brought in. Then, since the client usually sends in a folder of all the complaints, we focus on what happened. They always say to me, "You know I didn't mean all those things. You know I was just kidding." But my favorite comments are: "She/them/those people are just overly sensitive."

They blame the victim. As I said before, we all mean well, but diversity training is about how we actually treat each other. That's what diversity is about—treatment. How we treat our employees, how we treat our managers, how we treat new hires, who's staying, who's leaving, who's quitting, and who's not quitting? That is what this work is about.

The sessions briefly define diversity to tell you and show you how it influences your workplace and your relations at work. My mission is to facilitate a conversation here this morning, and to get you going. These are questions that we might be asking within the Society of Actuaries.

Think about the word "diversity," and write down everything that pops into your head. There are no wrong answers. What does it mean to you? Think of where you work, your managers, employers, employees, subordinates, and direct reports. How do your peers differ or vary? How are they also similar? We won't focus on that, though. When I say diversity, what pops in your head?

FROM THE FLOOR: Within a range of background experiences.

MR. VELASQUEZ: Background experiences, gender, race. Good.

FROM THE FLOOR: Ethnicity, age, attitude.

MR. VELASQUEZ: Okay, gender, race, ethnicity, age and attitude. Great start.

FROM THE FLOOR: For most people.

MR. VELASQUEZ: For most people, good. Among those people.

FROM THE FLOOR: Sizes, shapes.

MR. VELASQUEZ: All right. Sizes, shapes. I'll put it down. There are no wrong answers. What else?

FROM THE FLOOR: Religion.

MR. VELASQUEZ: Religion—huge issue today. On September 10, in this country, *we didn't know what we didn't know* about the Muslim faith. What we now know is a classic, major, flaming hoop we just jumped through in this country.

What did we know we didn't know about global diversity issues and the price that this country has paid for it? I'm getting calls from clients whose employees have been victimized. I'll give you an example. One client called and said, "We have three Asian-Indian boys working for us; one had a brick thrown through the windshield of his car, another had his car stolen and another received a death threat. This is all because the people who work here think that they're Muslim."

They were Asian-Indians—none of them Muslim—and if they were Muslim it doesn't mean they're terrorists. But that's what is happening. These diversity issues are being pushed out into the open right now because of what's going on. And it's getting kind of crazy out there. What else?

FROM THE FLOOR: Appearance.

MR. VELASQUEZ: Appearance, big time. What else?

FROM THE FLOOR: Dress.

MR. VELASQUEZ: Dress, clothes, style and appearance.

FROM THE FLOOR: Personality.

MR. VELASQUEZ: Personality is at the center of diversity work. Personality is good. What else?

FROM THE FLOOR: Everything you're uncomfortable with.

MR. VELASQUEZ: Powerful—everything you're uncomfortable with. You have to learn to become comfortable with being uncomfortable. That's a tough piece of this conversation for some. By the way, doesn't that vary for each person? For some it's sexual orientation and for others it's age. A lot of people don't like the disabled. With sexual orientation, you go in circles with some people.

Some of these issues are: background, experience, gender, sex, ethnicity, age, attitude, religion, personality, dress, clothing, appearance, shape, and size—everything we're uncomfortable with. What else do you want to add? What major differences are we missing in your workplace?

FROM THE FLOOR: Parental status.

MR. VELASQUEZ: Excellent, parental status. Family status related to marital status. Good.

I have an example. Two months into our pregnancy, my wife decided to tell her bosses that she was pregnant. She put it off and now she decided to tell them. In the year 1999, the professional woman is still worried about telling her boss she's pregnant. After work, she says, "I got my two bosses together. I said, 'I have wonderful news to share with you. My husband and I are pregnant with our first child. This is a very exciting time for us.'"

The first boss says, and I quote, "Are you sure?"

The second boss says, "Why didn't you come to us first?"

The first boss comes back and says, "We thought you'd be working here a long time. Why didn't you tell us?"

She didn't tell them because she knew what they were going to say. When they hit her right between the eyes with their attitudes, she said she was going to quit the next day.

Not only did they take the wind out of her sail, they burned it to the ground. I will argue that they completely ignored her marital-parental-family issues to the point that they drove her out. Then they called her for four months straight asking her to come back to work, saying, "We'll double your salary, we'll triple it, we got people, and we need you..."

What did Kelly say? "No, thanks. I want to go where I'm valued, respected, understood." What did Kelly want? A hug, congratulations—maybe a baby shower. Both of her managers, by the way, were not men. They were women with children. That's what really stung her. Surprise, surprise. *What we don't know we don't know.*

Marital status, family status, parental status—are there any other issues that we should include in this conversation? There are many. These are complex conversations. What other major issues come up in these diversity conversations in your workplace?

FROM THE FLOOR: Title, rank, ability, disability.

MR. VELASQUEZ: Absolutely. Title, rank, ability, disability.

FROM THE FLOOR: Language.

MR. VELASQUEZ: Language. And what's related to language? Accent, culture...good. You're getting there now.

A banker in a workshop the other day asked me why he had to put Braille on the drive-through teller machine. I said, "Interesting question. You don't know the answer?" Let me throw it out. Why do you have Braille on your drive-thru teller machine?

FROM THE FLOOR: Not everyone drives through.

MR. VELASQUEZ: Because not everyone drives through. Not exactly. The blind person takes a taxi and sits in the left-rear seat, or goes with a friend or a family member and sits in the left-rear seat.

I said to the banker, "You want their cash, don't you? I mean, their money is green. You do want that transaction. You want that fee. I'm assuming you want

everybody's money, not just money from the people who can see."

And the guy said, "I had no idea."

A large minority of people in this country are disabled. Some say 30% of Americans are disabled in one shape, fashion, or form. And incidentally, to keep us humble, we all may be one accident away from becoming disabled.

Now it's funny the people who don't understand what it means to be disabled. A friend of mine was pretty hard on that population. Then he blew out his Achilles tendon and was disabled for three months. Now he's a proponent, a huge fan of doing work in that area. Because *what he didn't know he didn't know before*, but when he was bedridden and off his feet for three months, he quickly realized. In my field, we call this an empathic journey.

Anything else? We've got culture, accent, language, ability, disability, title, rank, marital status, family status, parental status, everything that we're uncomfortable with, background, experience, gender, race, ethnicity, age, attitude, religion, shape, sizes, appearance, dress, clothes, and personality.

Anything else that's major in your workplace? Or within the Society of Actuaries as a whole? What are the major differences, either visible or not visible, apparent or not apparent?

I have associations that don't resemble their industries any more. They're losing representation. They're dying. The session I did last week was with the American Society for Civil Engineers. The civil engineers of today come from 40 or 50 different countries. The ASCE asks why they aren't joining their organization. This is a critical question that the association has to ask. Do we represent the new engineers in the industry? But, they are not joining our organization for some reason. Are we keeping the diverse talent once they join, or are they leaving and going to other associations?

Incidentally, there are black, female, Hispanic and Latino sub-associations within most associations. The associations do not create a compelling reason for people to join. These diverse members go to other associations where they do feel valued and respected and understood. Those associations are growing by three-digit percentage points and most big associations that are more homogenous and monolithic are dying in double-digit percentages. What else?

FROM THE FLOOR: Youth.

MR. VELASQUEZ: So youth, age.

FROM THE FLOOR: Income, class.

MR. VELASQUEZ: Income, class. I'm glad you brought that up. We are in New Orleans. Have you ever seen another town where income, class and status are so extremely clear and evident? This is a town that shows you "I'm rich. Look at my house." It's fascinating. What else?

FROM THE FLOOR: Work style, work ethic, work approach.

MR. VELASQUEZ: Absolutely. Anything else?

FROM THE FLOOR: Certification.

MR. VELASQUEZ: FSA versus not having certification. Is that it?

FROM THE FLOOR: Designation.

MR. VELASQUEZ: Designation. What else? Anything else? You're missing sex orientation and military.

FROM THE FLOOR: Gender.

MR. VELASQUEZ: Yes, gender and orientation are very different.

FROM THE FLOOR: *Don't know you don't know.*

MR. VELASQUEZ: Like *you don't know you don't know*, yes. Sex orientation. A person in the workshop the other day said to me, "We've got to get rid of all the homosexuals that work here."

I said, "I appreciate your speaking up. How do you know your peers are gay?"

You know what he said to me? "I know. I can tell. I can pick them out a mile away."

I turned to the president of the company and said, "Do you want this guy to be managing other people in your workplace if 10 or 20 percent of your population of highly qualified, skilled, credentialed, dedicated employees also happen to be gay? Do you want this kind of manager?"

He said, "I had no idea."

The guy killed his career in the session with me. Killed it. He basically said, "I'm intolerant, I'm rigid, I'm not flexible, and I'm going to make your life miserable if you happen to be gay."

This is how I sunk his boat. I said, "Let's say, for a moment, that you have great radar and you can pick out if somebody is gay or not just by looking at him or her. Yesterday you thought I was straight. Today you find out I'm gay. How am I doing

my job differently?"

He said, "What do you mean?"

I said, "Does my orientation change the way I do my job? Does orientation change my performance? Does my orientation change my ability to deliver for this company? The answer is, it doesn't. You may not like it, but if you allow that prejudice or dislike into the workplace you're begging for trouble." But the guy could not separate work-related issues from diversities, which always mask and hide each other.

Since September 11 the military has been a huge issue. Think about it. Before September 11, most Americans did not have a very high opinion of government, government services, and workers. Now they're all heroes. What was our view of firemen and police in this country before September 11? Now they're at the top of the food chain.

September 11 has caused people to reprioritize all kinds of issues. Right now, the number one group for whom it is difficult to be a member of in this country is Muslim. Incidentally, the number two-practiced religion in the U.S. is Muslim; in fact, Islam is number two in the entire world, and is the fastest growing religion in the world. I keep telling my clients they can't ignore these issues any more.

If I ask you to explain to me how your mind looks at all these differences, can you see a pattern? You may say that you don't see a pattern. If I ask you if your mind takes shortcuts through this jungle of differences, you may say you don't know. This is because *you don't know what you don't know*. These two models are an explanation, a model of theory around how our minds look at these differences.

How do you look at me with my differences? How do you look at your boss? Your subordinates? Your direct reports? How do you look at your customers? How do all of those people look at you on a daily basis?

Explain how all of these differences play a role in relationships, whether they're in sales, marketing, finance, or actuarial science. What happens? How do our minds make sense out of all these differences?

We developed this model back in 1991, and it is really the crux of diversity training in this country. What we call the primary dimension of diversity includes age, race, ability, disability, gender, ethnicity, and sexual orientation.

Why is this called the primary dimension? This is what we call an exclusive, exhaustive model. Rather than tell you directly, I'm going to use a method of teaching. I'm going to put up the model and allow the audience to educate itself. What is beautiful about this is that it's very holistic—very complete and comprehensive.

This pair of lenses is worn by everybody around the world. There is a giant file cabinet in everybody's mind, and the labels on the drawers indicate age, race, ability, disability, gender, ethnicity, and sexual orientation. For example, on September 10, if I had asked you, What does it mean to be Muslim? Most Americans would say they have no idea.

By October 11, we were all pretty clear about what it means. What it is. What it's not. Since September 11, in the ethnicity file, we have had a major deposit of new information. The media was pounding us with it every night in the first six weeks afterward. While our country was bombing Afghanistan, the media was bombing our lenses every day; they were bombing our file cabinet every day.

Why is the primary dimension called the primary dimension? The inside race, age, ability, disability, gender, ethnicity, orientation, what's cut in colors and in pots—why is this called the primary dimension? Why is this called a secondary dimension? Compare and contrast.

FROM THE FLOOR: It relates to everybody.

MR. VELASQUEZ: Excellent. It relates to everybody. The primary relates to everybody. We all have an age, race, abilities, disabilities, ethnicity, gender and orientation. Great start. What else is true—the inside, the primary, or the secondary?

FROM THE FLOOR: Inside might be perceived as things that people really can't change.

MR. VELASQUEZ: For the most part, they are immutable, innate, both. They're what you're born with. Some argue nature versus nurture. For the most part, it's what you can't change, such as age, race, ability, disability, orientation, gender and ethnicity; those traits are primary. Good. What else is true to the inside or the outside?

I won't tell you what diversity is. I will let you glean it from this model in a facilitated, guided conversation. What else is true to the inside or the outside?

Most of the inside traits are visible to the naked eye. What is quickly invisible is what we think we see, such as the gentleman who said he can tell whether people are gay or not. Can he really do that? Or does he think he can do that?

What else is true of the primary and the secondary? Does the primary influence the secondary? Is there a relationship to compare and contrast?

Let's say I come to work for you—you're my manager. I'm a young actuary and you're my mentor. After six months, are the only things you know about me that

I'm the first Latino you've ever met, I have a funny name, and I'm a little dark, plus what do I do in your industry?

As your mentor, I should say, "Tell me about yourself, your family, your background. Tell me what your clear goals and aspirations are. How can I help you to be successful here?"

What kind of manager is that? That's a manager who's comfortable with learning about what's uncomfortable. That manager pushes beyond the comfort zone and stretches the relationship. What does it take to know the primary facts about me? Not much.

By the way, who do you want to do your annual review? Which manager? The one who knows only a very little about you, or the one who has a profound relationship with you?

Do I want a doctor for my new son who knows him on a primary level? Wouldn't having a doctor who only sees your primary qualities be your worst nightmare medical care experience? Wouldn't a doctor who knows you be one who you go back to see time and time again?

Tell me if you can you ask this: "Tell me about yourself." I wouldn't ask if you are married or if you are single. They may share, but I would share first. Most people would then say, "Oh, you have a kid. So do I." You open your door first and then they're going to come in and come out.

But I would never ask—especially in an interview, "Are you Muslim?" That really concerns me these days. I would never ask, "Are you thinking about getting married? We need more single people here. Are you going to have kids? Kids kind of mess everything up. Where are you from exactly? Because you're not from around here. You have an accent."

I'll argue that the best way to get there is to tell them about yourself. The best managers share about themselves first, saying it's okay to talk about these issues. For example, Susie on my staff just told me she's pregnant. She told me way before she started to show. And I said, "Good for you. Congratulations. Now you tell me when you want to start re-working your job. Do you want to work at home more? Are you going to take some time off? How much time do you want off?"

Am I taking the stress out of her pregnancy? Instead, I could have said, "What are you doing? Are you sure? What are you doing to me? I need you."

'Most managers don't have a clue how to deal with these issues. You know what they like to say in the lawsuit. "I didn't mean it. I had no idea I was breaking the law." And guess what? The judge says, "It is too late. Don't tell me what you meant, but what you did; and don't tell me you had no idea. You should know

better."

The higher the manager the more accountable he or she is for the law. What is protected by the law? Is it a coincidence that age discrimination, racial discrimination, disability discrimination, sexual harassment, and ethnic discrimination are already protected by federal law? The only things not protected by federal law are the rights of the homosexual. That's going to change. Until September 11, the most victimized populations in this country were homosexuals, the elderly, and African-Americans.

Please note: for women who are battered wives, and those enduring spousal abuse, there is an interesting coincidence here that the primary insides are protected by federal law. Why? Why would all of these things on the inside be protected by law? It's something we can't change, so why should we be victims of what we can't change?

The laws in this country will never change. They will always protect the primary and will always be the foundation of my work. The primary is what we see or what we think we see as adults. It is what we're born with, and will always be protected by federal law. It would be political suicide for any party to try to remove one of these laws. They would immediately alienate 60, 70, 80% of the voting population.

This is ultimately what we call a job interview and a first impression. My favorite manager says, during an interview process, "He/she wasn't a good fit." What do you mean by good fit? That smoking mirror survives.

Tell me why this person's credentials and qualifications and background aren't a good fit. "Well, he just isn't a good fit. I just don't like him. He didn't come across well." Incidentally, those statements are not defensible in court.

Secondary: so how do you get here? How do you get to the outside? How do you know more about the people you work with and the customer? Which customer is going to come back? Who am I going to buy my next car from? The person who manhandled me, or the person who treated me with respect and dignity?

They wouldn't discriminate based on age or raw age, but they would discriminate based on how recently the person got his or her certification.

FROM THE FLOOR: Is it dangerous? First of all, is it correct that discriminating on the basis of designation and the time of designation is okay (if in fact, it is really, truly that)? If I'm in recruitment and we favor the more recently certified actuary versus an actuary who has been certified—ten or fifteen years...

MR. VELASQUEZ: Ten or fifteen years ago, versus today. Are we saying that it's more rigorous today? More difficult? Is that why? Or is it more contemporary?

FROM THE FLOOR: That's right. The syllabus has changed and those who are more recently qualified are more knowledgeable about recent topics.

MR. VELASQUEZ: Is that discrimination? Are we masking discrimination? And the question is one for your general council, but I'll flip it: if I don't get the job, what's your reason? Because I'm not recently certified? The people have everything equal, everybody has this certification, and you're saying we're going with the younger applicant. Everything equal, they're both certified. One was certified 10 or 15 years ago, and one's been certified for a few years, but we want the younger one—that is discrimination.

FROM THE FLOOR: In this case, you truly discriminate on the basis of what they know.

MR. VELASQUEZ: And that's where you have to go. What they know. You have to be able to test for it or pull it through Q&A, through tests, through cases. But to say we gave it to this guy because he's younger, more contemporary, more recent—that is age discrimination.

FROM THE FLOOR: Clearly discriminating.

MR. VELASQUEZ: Right. As your attorney will tell you, it's all in how we position our defense. Your defense, the first time through, is horrible to say that a younger person knows more than an older person. It's going to be very hard to prove. Think about it.

That guy is going to say, "I've been in the business for 10 years, I've had three or four different employers. This other person, fresh out of college, has had one job, one employer." It's going to be murder. You can say that the tests have changed. He'll say, "I'll take the test again."

FROM THE FLOOR: In this particular case it is probably different, but the new fellow truly does have a level of knowledge in certain areas that exceeds the level of knowledge of somebody who's been in the business for 20 years.

FROM THE FLOOR: Wouldn't that one in the business for 20 years be working with the matter and have gained the work experience to more than make up for the exam he or she didn't take?

FROM THE FLOOR: I suppose you could argue both worlds if you're looking for a different view.

MR. VELASQUEZ: The bottom line is this: What is the opening you're hiring for? What does the position pay? What is the job description? Who best matches and fits that job description? If the job description is for a junior actuary with certain certification and we can pay \$45K, the guy with 10, 15, 20 years of experience may

not even go out for that job. The flip side, though, in the top label market is that they may be out of work and going after that job. If you take the younger guy every time it's going to look like discrimination.

FROM THE FLOOR: Let me rephrase that question. Clearly I cannot advertise for a young actuary. That's illegal. Can't I say I'm looking for a recent fellow? That's a question, if in fact, I don't want to discriminate on age. I'd hire a 99-year-old if he has the skill set I want. I truly don't care.

MR. VELASQUEZ: You want two junior guys instead of the older guy.

FROM THE FLOOR: In a sense, one of the things you do have to show is how the individual with the recent certification has the right knowledge, but the individual who had the prior or earlier certification would not.

You really have to have a distinction and be able to show it, as you mentioned, through either Q&A or testing or some sort of approach. There is a lack of that. The recent certification versus the past certification, in my opinion, would not be sufficient by itself.

MR. VELASQUEZ: I agree.

FROM THE FLOOR: If I hear somebody say, "I'm looking for a recent fellow," to me, that means salary is an issue. Regarding salary requirements, somebody who's been a fellow for 20 years will be up high, and a recent fellow would be down low.

MR. VELASQUEZ: . It's clearly a diversity issue. It's in a context of either work-related matters or not-so-work-related matters. I'll argue that age is not always a predictor of performance. I will argue certification, then. If we're only hiring young, recently certified people, versus older, recently certified people, that shows a pattern. In that case, you have to be very careful. That's what the attorneys look for: Is there a hiring pattern?

I had a client who asked people, when they were first being interviewed, "What is your religion? Because we don't want any blanks working here." Can you imagine how, in some places, that might be acceptable? But the problem is, in the federal court of law they'll be eaten alive. The client said, "We had no idea we couldn't ask that question. We've always asked that question." That's now an argument for institutional discrimination. It's historically based. Primary is what we see or what we think we see, and what we cannot change. What's protected by federal law? Nature.

Secondary involves choices. How do you find out about these things? You find out through a relationship, a dialogue, a friendship or an understanding. I'm in the retention business. My clients want me to help them retain the towns that they've occluded. In low turnover areas, this is the manager. Big difference. It doesn't take

but five minutes a week. The best managers know their people; the worst managers treat them like bodies or cattle. People usually leave and quit that kind of environment pretty fast. Often in high turnover areas, this is the manager, "I'm not comfortable with them, with those people." This is very common in my work. Who are "those people?" Anybody he or she is not. I like that definition.

Let's give you some easy examples, because this is a model. When my wife and I decided to have a baby, we agreed that we needed to get a house first. So we started driving on weekends to northern Virginia, going into new model homes and new communities and checking them out.

What happened to Mauricio Velasquez and Kelly Elizabeth May when we pulled into the new neighborhoods? What happens the minute you pull up and park outside of a model home? What are all the new neighbors with strong dirt front porches, and the sales people inside the model home doing to prospects through the front kitchen window of the house? They are checking them out and looking them over. It's what I call a "visual credit check." They look at the primary dimension of the prospective homeowners, and size them up.

We walked into one of these model homes and a woman said to us, very distressed, "Can we possibly help you here?" We walked into another model home a month later, and a woman said, "Are you lost?" We walked into another model home a month after that, and a woman said, "You know how much our houses cost, don't you?"

The question is, do I care what they meant to say or do I care about what they actually said? Here's the kicker: didn't they know they were violating the Fair Housing Standards Act with their statements? This act says that regardless of who the person is, everyone has a right to see the house. We don't see each other as individuals. Instead, we see each other as members of groups, especially if the person has no relationship with anyone in your group.

So when we walk out of the car up the sidewalk, do business salespeople see us as prospects, as human beings, or do they see us as members of groups? In our case maybe we look too young, or we don't look wealthy enough. Maybe our car was too old. But I'll argue they really didn't know. When would they know whether I can afford the house or not? When they do a credit check. They had somehow done a visual credit check before we walked in. The primary dimension. This happens in model homes, mobile homes, malls, retail, or any other kind of walk-in environment. In an interview for a new hire, there are the same complex issues.

So we get the house. We're nine months into our ten-month pregnancy and Kelly says to me, "It's time to get a baby car. What's a baby car? What did my wife want? A station wagon. So I asked my wife, nine months and pregnant, to go to the dealership, because I was jumping on a plane to go to Alaska.

What happened to my bride when she went to that dealership by herself? Did they see her as a person or as a member of a group? Getting out of the car, wobbling across the front parking lot into the showroom, what did they do? They signed her up. They signed her up for what they thought she wanted. Anybody disagree?

The number one financial decision right here is buying a house. The number two biggest decision in the financial world is buying a car. By the way, why are more people buying cars on the Internet? What are they trying to skip? The hassle.

But my favorite example involves my mother and father, who are both immigrants from a South American country. My mother lost her father when she was five; he was murdered. She was then raised by nuns for the next 13 years. My father lost his brother who was 19-years-old to alcoholism and a brawl in a bar. He said it was not good to live there, so they fled their country due to persecution and all these troubles. They both moved to New York, met at a mutual friend's wedding, got married, and soon afterward, came to Virginia to have kids.

Then there's my wife's family. Kelly is from Lynchburg, Virginia. Kelly's father thinks Martin Luther King is a communist, and he likes to use the "N" word to describe African-Americans. That's my father-in-law.

So imagine what would happen when I went to Lynchburg, Virginia, or when my wife went to a small slice of a South American country in Northern Virginia. What happened as Kelly got out of the car the first day I brought her home? What happened when I got out of the car the first day she brought me home? And really, the number one question is not what did my parents and her parents see, but what meaning did they attach to what they saw?

We can't stop people from looking at us. But that's not what I'm worried about. I'm worried about the pre-judgment.

So we got inside of my parents' house, and Kelly tried to sit in my mother's chair as we entered the living room. I told her that it was my mother's chair, and I asked her to sit, instead, on the love seat. She sat to my left and I held her hands, like we were about to be interviewed by Dan Rather.

My mother sat in her Queen Anne with the high back, the big arms, the wings, on the wooden floor. My dad sat in his ugly newspaper recliner chair. Mom and Dad asked questions, Kelly responded, and I watched it back and forth.

Then mother said, "Can I get you something to drink?" I squeezed Kelly's hand because I know what she wants. Her family drinks nothing but ice cold Miller Lite, but in my house we don't drink. So She looked at me and said to my mother, "Ice water with lemon." My mother said, "Of course, dear," then went in the kitchen and gave my dad a look.

My parents went into the kitchen, huddling, getting ready for act two. Kelly and I were in the living room, huddling, getting ready for act two. Kelly said to me, "Where's the plastic? Where are the sheets?" I said, "What are you talking about?" "On the furniture, where is it?" I said, "We don't do that here."

Then she went straight to what I expected her to spot. She asked, "What's that, in the corner over there?" It was a candle that was hung from the cathedral ceiling, and it hangs down about ten feet. It shines on the Virgin Mary. "What is it doing in your living room, lit? Why is it shining on the Virgin Mary?" she asked.

I said, "You don't know what you don't know. You've never been in a Hispanic-Catholic-Latino household before, have you? That's a small piece of the Catholic Church in our living room." She said, "What's it doing in here?" I said, "That's a shrine. My mother was raised by nuns. It's very, very spiritual; it's there to protect the family. Then Kelly says to me, "Is the candle lit for me?" I said, "Oh, I wish it was lit for you. Maybe one day it will be lit for you. See all the pictures underneath it? That's who it's lit for. All the kids in the family."

My parents came back in, and there was more small talk. Then my brother walked in. My brother Juan is 11 years younger than me, named for Pope John Paul the First. Juan 'is the kid, the rebel, and the youngest, who shoots from the hip. He asked, "Kelly, are my folks driving you crazy yet?" My mother got upset, and started barking at Juan in Spanish. My dad laughed, and my brother said, "My folks are psychos, they're whacked. You need a break. Come with me."

As soon as Kelly left the living room, my mother dragged her chair across the floor and got right up in my face. She put her hands together to mean prayer, to mean penance. She said, "Mauricio, "We have to talk."

My father is cooler. He'll cross his arms, cross his legs, crinkle his forehead, and I know I'm in real trouble when I can see blood vessels pumping on the side of his head. I stood up, because I always take this interrogation standing up. What was the first question out of my mother's mouth? Take a wild guess.

FROM THE FLOOR: Is she Catholic?

MR. VELASQUEZ: Exactly. "Catholic?" I said to my mother, "That's the first question? Mom, you know I love..." Then, in Spanish, she cut me off.

When you've got bad news you start with a positive. You sneak the bad news in and you end with a positive. We call that a feedback sandwich. I said, "Mom, I love you very much, you know that. She's not Catholic. She's Methodist."

My mother reacted like she's never spoken the English word before. She said, "MMMMethodist." She gave my father the look. She of course, asked him to comment. My father looked at my mom and said, "I have no idea what that

means." My mother said, "Huhmph," with her mouth open.

My father cut to the chase. "How much money does she make?" My mother asked, "How much money do her parents make?" My father: "Do they live in a nice neighborhood?" My mother: "Do they have a garage?" What?

My father: "Did her father serve in the military? I served our new country." That's my dad's hot button. When people tell him to go back to where he came from, he says, "I'm a vet. I fought for us in Korea, did you? If you didn't, you go back to wherever you came from." My father: "Where is this Lynchburg, Virginia? Will she bring us children?" My mother: "Will she bear fruit? Did she get a Master's degree?" My father: "Did she get..." My mother: "Yeah, a Ph.D..." I looked at my mother, "A Ph.D.? I never heard this one before." She said, "You know, you're the oldest; I was the first to have a garage in my family that was big. You're the oldest, first to go college, first to get an MBA. We were really hoping for that Ph.D., but you never got it. So we were hoping that you might marry one. If she took your name we'd have a doctor in the family." I said to my mom: "What? You don't have a GED. Why must I marry a Ph.D.?"

Bias and prejudice are often irrational. They do not involve common sense. And the game breaker—my mother asked, "Does she keep a clean house?" That's always my mother's question. My dad doesn't ask that question. My father closes with: "Will they get along with us?"

Question: did they ever see Kelly as a person? Or did they only see her as a member of a group? What did it take for Kelly to be accepted as a person in my family? The birth of a child. When my son was born, they saw how wonderful Kelly is, how beautiful she is, what a great job she was doing, and they started to think that maybe she is all right. But it took the next generation to prove to the previous generation that there's something here.

What I'm trying to tell you is the diversity big picture is this model. The primary and the secondary dimension diversity. Most of us get stuck thinking about the person's group, which represents any of these differences. We don't know each other as human beings. We don't know our bosses, we don't know our subordinates, and we don't know our peers. We're total strangers at work and we're so busy getting the job done that we don't have effective, deep, sincere relationships.

Then when people quit, we don't know why they leave. But they leave because they feel like a body, like cattle. So in my work we have to learn how to train managers to see the whole person; to treat the whole person, to welcome the whole person, to make that person feel welcome and whole. To make that person feel that actuaries are diverse. That they don't have to check their differences at the door, but instead, they can be anybody they want to be. That's what diversity is. Our own parents remind us of it all the time.

My work is not about changing people's values or even about changing your attitude. You can't do that in training, not in a half-day, or a full day. What you can change is their behavior and how people treat each other. We can outlaw what is inappropriate, disrespectful, and unprofessional, and hold managers accountable for it, and we can also point out what they need to be doing to sell it.

So will I change Kelly's father's values and attitudes? The way he was raised? No, but I can change how he treats my family and me. We've already had this conversation: If he uses the "N" word in my house, I will drag him out by his ears. I'll tell him that in my house, my son will not hear what his daughter heard growing up. It is not allowed. And guess what's happened? I haven't heard it in my house.

In his house, there are different rules, but I just leave the room. I show him my dislike for that kind of language, those beliefs, those values, those attitudes. We can change people one behavior at a time.

I want to tell you about a video that I use in my work. It's one of the most popular diversity videos in the country, and also the least expensive. I sell it on my Web site, and now all my clients use this in their work. It is an extremely controversial documentary.

It took place in town in Iowa, with a teacher named Jane Elliott. The kids are third graders. The teacher decided, in 1969, to make this documentary. She took a room full of kids and separated them arbitrarily by brown eyes and blue eyes.

She told the "brown eyes" that they we're inferior and not smart because they're "brown eyes." She tells the "brown eyes" that because they are dumb and inferior, she will not let them play with the "blue eyes" on the playground. They will be separate from the "blue eyes." She said she will cordon off the area.

She told the "blue eyes" that they are superior, better, smarter than the "brown eyes." "Blue eyes" are told they get full run of the playground. "Brown eyes" are told to stay off the playground. She said she doesn't want them mixing with the "blue eyes," the elite.

"Blue eyes" are told they get to eat as much as they want. "Brown eyes" are told to get in the back of the line. If we have time, she told them, she would let them go through the line and eat what's left over; scrapes, seconds. "Blue eyes" are told they get to go to recess first. They get five extra minutes of recess and they get to play on the playground.

"Brown eyes" are made to wear a collar around their neck the first day, all day. Why? Because, she said, "I can't see the color of your eyes unless I'm really up close. So I'm going to separate you 100 yards away on the playground and you must wear this collar."

What is the significance of that collar at the Society of Actuaries? What is the significance of that collar where you work? We'll discuss it. The second day she flips the activity. This is a documentary that will really hit you. It's very powerful and very controversial.

What I'm talking about now is the number one question: Where do these lenses come from? Where does this file cabinet in our mind come from? That's where we're going with this documentary. Or how do I add diversity to influence our relationships at work? How does it seep in? How did these issues seep in to our everyday lives at work? This video answers those questions.

In the video, the kids came back for a high school reunion, sixteen years later. You see them walk in as adults, in the mid-1980s, for the high school reunion. Then it goes back to the original documentary in 1969. Jane Elliott has gone on to do this on Oprah Winfrey. She's done it with high school kids and college kids. It's a very powerful simulation or social experiment.

(At this point, Mr. Velasquez shows the video.)

FROM THE FLOOR: It's amazing how easily they accepted the rules.

MR. VELASQUEZ: How do we know that they accepted her statement? How do we know they believed it?

FROM THE FLOOR: They acted it.

MR. VELASQUEZ: They acted it out, okay. How else do we know they believed it?

FROM THE FLOOR: Their performance was dramatic.

MR. VELASQUEZ: Excellent. Their performance was dramatic. It de-motivates people. No doubt. Then when they performed poorly, guess what we get to say? "I told you so. They're not as smart as us." That's a self-fulfilling prophecy. If I don't think you're good enough and I treat you like you're not good enough, what do you quickly become?

People either fall lower or raise up to the expectations of where ever the bar is. It's a set-up, because many institutions, many organizations—not just your industry—when one of them comes on board, applications are lowered, and people are treated differently. When they perform poorly, we blame them. I'm hired to come in and identify the barriers and remove them so that they have a fighting chance to be successful. But the irony is if we don't do this, when these people keep leaving and going to work for our competition, and behind them are people like them, so we get caught up in this cycle. We'll talk about that.

What else struck you here? What's the collar all about?

FROM THE FLOOR: It is a visual representation.

MR. VELASQUEZ: Meaning that you saw it all day, every day, both days. Why else was the collar important? For the primary and secondary dimensions, what does that collar really represent?

You could really stretch it to anything on the inside that we feel or we think we can see. The individual, the group, or the affiliation—what's the collar in this conversation? They're the best of friends. They have been growing up together. But on this day, what happened? Their teacher separated them into two groups, and they turned on each other. Has anybody read *Lord of the Flies*?

What's the luxury the children have in this documentary that we don't have as human beings? They can take off the collar. Most people can't take off these collars.

Hence, this field that we've been talking about all morning is not a fad. These issues are not going away. Now most of corporate America has a very interesting approach to diversities. They bury them. They sweep them under a rock; they hope that by ignoring them they will go away. What do we know now in our field? Given the media, they don't go away. They come back and sometimes have devastating effects.

After the terrorist attack of September 11, class diversity issues that had been swept under the rug in foreign policy for decades came back to burn us big time. It's a classic *we didn't know what we didn't know*. It happened all of a sudden. We had no idea. Now six weeks later the American people are finally being educated. These are very, very trying "diversity times" right now.

As I wrap this up, what are we doing in security at the airports? What's the one ethnic group nobody wants to look like these days? Arabs, Muslims...Are all Arabs Muslim? No. Are all Muslims terrorists? No. If you're Arab, then you're probably a Muslim, therefore, you're probably a terrorist." That's a negative stereotype class.

Here's my prediction. In the next terrorist attack (and even the ones that already happened), some of the perpetrators will not be from that part of the world. It will start to look like American-on-American crimes.

A perfect example is Timothy McVeigh. Did we catch McVeigh because he fits a profile? No. You know how we caught McVeigh? His taillight was out, so the police pulled him over for a traffic violation. Then the cop saw a gun in his car. He wouldn't have grabbed him on his profile, because he didn't fit a criminal profile. All of these are diversities.

The last question I'll throw out at you regarding the video is this: What does this video show us about discrimination? What does it point out?

It's powerful. What else? It's changeable, meaning, it is learned. If it's learned, it means we can unlearn it.

What do you think Osama bin Laden was doing in those camps for years? He was teaching the others how to hate, what to hate, when to show this hatred, and how to do it. I'll argue that these people weren't born hating America. It was taught. The cycle continues. Unfortunately, it happens with ugly and devastating effects.

What you can do is train people. That's what diversity training is: how to behave, how not to behave, what to do, what not to do, how to deal with these issues and how not to deal with these issues. And if you don't follow procedures, policies and training, there is a penalty. Most of corporate America, up until very recently, didn't care if you discriminated against others. They didn't care if you broke the law. They looked the other way. Now we're finding that there is a cost to pay in the courtroom and in the media.

Look at Texaco, Aberdeen, Davis, Circuit City, Smith Barney, Merrill Lynch, Denny's and Eddie Bauer. Look at Denny's again—when they were back on TV. Now Coca-Cola, and now most recently, Wal-Mart is being hit.

The best story I saw recently was about Georgia Power. Katie Couric interviewed the CEO of Georgia Power on national TV. Thirteen hangman's nooses, handmade, were hung like decorations in eight facilities. Rampant racism was identified, and the CEO said, on national TV that he had no idea that a hangman's noose was a racist symbol.

Is anybody going to buy that? What does it mean for these nooses to be hung on the facilities' walls for years and years and years? The attorneys are going to carve up that company like they have done to so many others who say, "We didn't mean it. We had no idea." Those days are over in this country. Most people just don't know it.

So can we change people? Yes. But it's not training. It's a recognition system. What do we value? These terrorists, especially suicide killers, are trained from a very young age. They're plucked out of kindergarten, through elementary school. They're trained to follow the program.

Some of these people were religious fanatics, saying that their acts were in response to a calling. I heard an expert on the Al Qaeda network on the radio. The Al Qaeda manual discusses how to behave in public settings. They're trained in every behavior and action. Members of this group were taught lots of propaganda, lots of media, and decades and decades of foreign policy that drew them in.

When those planes ran into the World Trade Center towers, were the people in the buildings seen as human beings or as members of a group? How do you kill people?

You detach humanity from the situation. "I'm not killing people; I'm killing the enemy."

When McVeigh was asked how he could kill about 35 kids, what did he say? He said the children are "collateral damage."

The victims were not seen as human beings. Instead, they were seen as members of a group. So in the biggest, broadest conversation, terrorism is not an act against humanity in the eyes of the terrorist, it's an act against the enemy; America. These guys are trained. They weren't born with these views of the world, these perceptions of humanity. They were instilled in them.

A woman on the radio said she met one of the guys involved with the September 11 plane crashes in flight training school. She said, "If I could describe him, he looked like a zombie." She said he had no emotion; he didn't get to know anybody. He looked like he wasn't really there." She said, "He looked like he was in a trance. The guy was on a mission. And he thought he was going to heaven. To his heaven." Interesting, all right.

Do you want to see what happened to the kids? Did this experiment, this social exercise, this documentary change these kids? You want to see?

You can train them one-way and un-train them or re-train them another way. When I do sexual harassment training, am I actually training people to harass each other? Or am I un-training them? Most people already know how to harass. I'm brought in to un-train them.

You can un-train people, but the training alone isn't enough. You're going to have to follow it up with rewards and recognition; and punishment if you don't go the way we want you to go.

FROM THE FLOOR: What does it mean to you, personally?

MR. VELASQUEZ: What it means is we take out those camps. We do not allow those breeding grounds. You want to stop this whole shooting match?

FROM THE FLOOR: What if it already exists?

MR. VELASQUEZ: I don't know. You know what happens if we throw them in jail and they sit in jail for a long time and then they come and go. I see that, it's isolation.

What did everybody want from McVeigh before we killed him? We wanted an apology. He didn't give it. Why? He didn't feel it. By the very nature of these issues, some people have no remorse; because he didn't see the people he killed as human beings. He saw them as American government employees. He could completely

shut empathetic feelings away. He had no remorse.

I'll argue that the guys who allegedly took over the planes on September 11 and crashed them, if they'd been caught, you would have found they had been untrained, and they wouldn't have cared about what they intended to do. You would have just locked them away.

It takes longer to change attitudes and values, but you have to have an environment that encourages positive attitudes and values. Most environments encourage bias and prejudice, so that it explodes and spreads like a virus. They're not discouraging it; so left to some devices, it grows. So to stop this problem from exacerbating, you've got to do training and put positive procedures in place. Then you've got to create a reward and recognition system.

A person was caught sexually harassing 988 women or something. How do you harass close to 1,000 people? Mitsubishi has 300 cases. You need a lot of people to do that—a lot of people who were told, "Don't worry about it. We got you covered. There is no penalty."

When I look at the reactive clients that I visit, I can't believe what they let go. I prefer the proactive client, for example, who says, "Let's get these issues out on the table. Let's talk about it. Let's do the right thing. They have the moral imperative.

Too many companies are worried about lawsuits and they do diversity training for financial reasons. "I don't care what it takes, but let's start doing the work," they may say. Right.

Let's talk a little bit more about the kids from the documentary. They're adults now and are at their high school reunion. Incidentally, the filmmaker was driven out of the community. She was labeled a *blank*-lover and driven out of her community. Her parents' business went under, and her kids were beat up on a regular basis, so she moved out of there. It was a really bittersweet ending for her. But she now does this work all over the country.

What do we know from the Columbine shooting? That the two boys sat in front of a video camera before they went in, and said, we're going to kill us some *blanks*, some *blanks* and some *blanks*. Were they killing individuals? No, they were killing members of groups.

So in essence, diversity training is at the core of violence, terrorism and employee human relations. Really, these principles are at the center of almost anything and everything we do, and things such as what kids are taught, and school dynamics. If you're a parent, this stuff is going to be helpful to you.

So what do these children now have as adults that they didn't have before the original documentary? They have experience, which gives perspective, then helps

them gain knowledge, and to develop more understanding and sensitivity, which will lead a person to become more empathetic. The best managers are tremendously empathetic.

Regarding best practices, what are organizations doing to deal with these issues? Holistically, organization-wide, top-to-bottom, side-by-side, what are they doing? And what are the tough questions that you've got to ask your employer? Or SOA?

FROM THE FLOOR: I was in a similar workshop a bunch of days ago, where African-Americans thought it was about income.

MR. VELASQUEZ: So African-Americans, in a previous diversity session, saw it wasn't about race or color, but it was about income. But if a person makes enough money to live in the same neighborhood as another individual, discrimination would be about race.

I will argue that the gentleman who said he does not think it's about race, but instead it's about income, has to think it through. It's about race and about income. And it's an amalgamation of all the issues we talked about. It's never one issue.

There's always a combination of issues. But if he says he can afford to live in the neighborhood but the people selling the home(s) won't let him, (1) he can afford it; (2) it's his race, not his income.

FROM THE FLOOR: We might tend to think of that as a unique circumstance but I submit that it's not. Go back to World War II, when there were kamikazes.

MR. VELASQUEZ: Look at the KKK in our society. People have been bombing black churches and killing innocent black people for 30 years in this country. I think what shocked us was the magnitude. But terrorism has been around. We have some militia. We've got all kinds of stuff in this country.

FROM THE FLOOR: The point is, it's not particular to Muslims or some extremist radical group. It has been accomplished by governments throughout the ages. It's not something new.

MR. VELASQUEZ: Right. If you look at early history of the KKK, its roots are based in Christianity. They quoted the bible in their approach. So this is not new stuff. It is a recycling. History repeats itself. What I think we are seeing, though, is a higher level of fanaticism than we have ever seen before. But you're right; kamikazes in World War II did it. It's not uncommon.

We definitely got caught with *what we don't know we don't know*. What is it, keep your friends close and keep your enemies closer? These guys were so far away, I mean the intelligence community in this country got caught with its eyes closed, and its pants completely down. They didn't know what was going on. And now a security agency is one of my clients, and they called me and said, "I bet you guys

are busy now."