



Diversity:

The strategic advantage and future cooperation

BY LADONNA SANDERS-REDMOND

There is always a lot of handwringing when the topic of diversity and inclusion in co-ops is mentioned in co-op circles.

The 2015 CCMA conference (Consumer Cooperative Management Association, reported in *CG* #179) was a source of frustration for many who are concerned about racial equity. The ill-timed reception at a former prison seemed to indicate that the co-op movement as a whole was insensitive to the issues that communities of color are concerned about. The reception also seemed to indicate a profound disconnect regarding racial equity.

As many food co-ops are expanding, many are expanding into communities of color. Addressing racial equity and diversity are topics of the utmost concern to those co-ops.

Often the concern about race is focused on how to address racial inequity as a moral imperative within food co-ops. The solutions tend to focus on making the store more accessible: lowering costs of food, making ownership more accessible. These are valuable tools and should be used and developed.

Additionally, however, this perspective is coupled with “we are the good guys” and the unspoken assumption that co-ops are safe and wonderful spaces where people of color are located. In theory, this is true—but in practice, food co-ops are often culturally biased toward the dominant culture in marketing, product mix, and staff.

The “good guys” defense is not wrong per se; it’s just the wrong approach. It suggests that one’s actions cannot be questioned, that the co-op is beyond reproach. It may even mask a righteous indignation: “How dare they question our good intentions?”

This position is earned. Many co-ops have operated on the fringe for decades. It is hard to imagine themselves as “the man” or the one upholding the status quo that keeps people out. Yet, many food co-ops do just that—keeping people of color out of jobs, of contracts, and as customers.

Taking up the issue of racial equity because it is the right thing to do is fine. Yet, there may be more behind the moral imperative to racial equity in co-ops that requires food co-ops to rethink being the “the good guys.” No longer examining racial inequity through the “the good guy” lens requires realizing that this perspective undervalues and underestimates what diversity and inclusion has to offer the cooperative movement and food co-ops in particular. Goodness is an admiral quality. Yet it is not enough to increase market share for food co-ops.

Diversity as a business imperative

Diversity and inclusion also require co-ops to look beyond the needs of communities of color to see the assets of diverse markets. It’s an advantage that many co-op competitors have developed in both the natural and conventional food industry sectors. To remain competitive, they have learned to engage diversity in the market place.

*Simply having differences is interesting;
doing something with them is powerful.*

Diversity and inclusion must be considered as a sustainable business practice, a competitive advantage and a necessary means of increasing market share. Diversity and growth are not just integrated, but inseparable. Diversity inspires growth and innovation. Diversity must be considered a source and driver of innovation that values and supports unique abilities, experiences and perspectives.

The U.S. Census Bureau indicates that the workforce will become increasingly diverse over the next 30 years. People of color will be the majority in the U.S. by 2042, and by 2050 some 55 percent of the working population will be people of color. This growth presents unique business opportunities for cooperatives not only to attract a diverse workforce, but also to attract new owners in a marketplace demographic in which buying power and investment needs will rapidly increase.

For example, Black Americans are just 13 percent of the U.S. population, and yet will have a buying power of \$1.4 trillion by 2019. If co-ops are expanding in communities of color or want to gain market share there, they would be wise to start developing a better consumer-supplier relationship with African-Americans.

The report, “The Multicultural Edge: Rising Super Consumers,” finds that the Black American spends in ethnic hair and beauty aids: African-American dollars make up 85.8 percent of the industry. Black American money is hot sauce: Sriracha and its ilk enjoy 25.4 percent of category sales from African-American dollars. When it comes to unprepared meat, seafood, and poultry, Blacks account for nearly 18 percent of the industry’s dollar volume. ▶

African-Americans are the only ethnic group that takes up a significant share of the molasses, table syrup, and sweetener industry: 14.4 percent. African-American purchases of hygiene products and toiletries—such as soap, body wash, and fresheners—account for 17 percent.

It's also important to understand what motivates us to make a purchase. Of huge significance to food co-ops that sell brands which support social justice causes, nearly 40 percent of African-Americans expect the brands they patronize to support social causes as well.

There is an untapped market for co-ops to gain market share if they begin to get serious about diversity. Most Blacks—78 percent—also say that their cultural and ethnic heritage is an essential part of who they are, which in turn can affect the purchases they make.

The changing demographics of our nation create substantial opportunities for cooperative food retailers to rethink their marketing, product mix, business partnerships, and strategies. Food co-ops must leverage the diversity of both their staff and their suppliers in order to tap into multicultural markets on a daily basis.

Studies have shown that organizations with diverse and inclusive cultures are 45 percent more likely to have improved their market share in the last 12 months. The research suggests that higher market growth is driven by more innovation and better quality decision making within diverse and inclusive teams. In order for food co-ops to begin diversifying staff, senior leadership's commitment is critical to such success.

The diversity framework

Diversity efforts are integrative in nature and should reflect three pillars: talent and workplace, the marketplace, and our communities. The right approach generates enormous benefits in all three areas.

Talent and workplace: Increase the diversity and inclusion of our workforce with a focus on increasing the representation of women and minorities in leadership. Co-ops must create equitable opportunities for all employees regardless of race, age, gender, physical/mental abilities, sexual orientation, religion, and background. Making diversity work requires the visible engagement of leaders who can profile issues, champion solutions, and lead new approaches.

Marketplace: Offer customized and accessible services and products to diverse customer/member/owners markets. In addition to hiring goals, co-ops could also support supplier diversity programs at individual stores and at the national level. As purchasers of goods and services, co-ops have significant economic impact in the markets where they do business. The goal is to offer women and minority-owned suppliers the opportunity to increase or enhance sales to the co-op and enhance the value of purchases

made with women and minority-owned businesses.

Community: Support the economic and social development of our communities through leadership in research, strategic partnerships, donations, and sponsorships. Many co-ops excel in this area. However, many of the solutions tend to focus on a narrative that uses an approach closely aligned with charity and not with building commonwealth. Where co-ops can close the gap between charity and commonwealth is by proactively supporting and participating in community-centric activities such as independent research and educational programs that help implement community solutions.

Make diversity a part of your brand

When it comes to diversity, it's not enough to simply walk the walk. You need to let the world know that your co-op embraces difference and welcomes all, and the best way of doing so is by making diversity a part of your brand.

Show that co-ops care by promoting volunteerism among employees and by sponsoring initiatives to raise funds and awareness for different causes.

Invest in diversity by offering internships and scholarships to people from underrepresented groups. And spread the word that your culture is diverse and inclusive by establishing a Facebook page or blog that spotlights your efforts—highlighting awards, detailing partnerships, and providing information that underscores your desire to provide the flexibility and tools required to guarantee success for all.

As a business leader in the community, co-ops have the opportunity to act as broader change agents in society. Co-ops can provide support to organizations, academic institutions, and nonprofit groups working to address diversity issues of importance to co-ops and our stakeholders. We also work with business community partners to advance diversity and inclusion in our communities. This may entail sponsoring initiatives for broad community benefit. It may also involve partnering with relevant organizations to raise awareness and increase participation in diversity initiatives.

Understanding and drawing on the strength of diversity is at the heart of meeting the needs of clients around the world, building strong relationships in the different communities we serve, and engaging the many talents of our workforce.

Simply having differences is interesting; doing something with them is powerful. Co-ops have an opportunity to do something powerful by challenging its business model to become more diverse and inclusive. □



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