Central Michigan University
Master of Science in Administration (MSA) Program

Course Title: MSA 698: Directed Administrative Portfolio

Submitted to: Dr. Richard L. Hayes

Submitted by: Justin Barnaby
123 Some Dr.
Somewhere, MI 12345
Work Phone: 123-123-1234
Home/Cell Phone: 123-123-123
Email: someone@cmich.edu

Course Location: Rowe Hall
Submission Date: July 22, 2018

Research Project Title:

Financial Management and Diversity in an Information Technology Workplace at Alma College.

CERTIFICATE OF AUTHORSHIP:
I certify that I am the author of this paper and that any assistance I receive in its preparation is fully acknowledged and disclosed in this paper. I have also cited any sources from which I used data, ideas, or works, either quoted directly or paraphrased. I also certify that this paper was prepared by me specifically for this course.

Student’s Signature: ______________________________

Instructor’s Comments:
Financial Management and Diversity in an Information Technology Workplace at Alma College

Justin Barnaby

MSA 698

Central Michigan University

Author Note

Justin J. Barnaby, MSA Department, Central Michigan University.

Correspondence concerning this article should be addressed to Justin Barnaby, MSA Department, Rowe 222, Central Michigan University, Mt. Pleasant, MI 48859.

Contact: someone@cmich.edu
## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Summary</td>
<td>4</td>
</tr>
<tr>
<td>Workplace Diversity</td>
<td>5</td>
</tr>
<tr>
<td>Financial Management</td>
<td>7</td>
</tr>
<tr>
<td>Diversity Costs</td>
<td>8</td>
</tr>
<tr>
<td>Financial Limitations</td>
<td>10</td>
</tr>
<tr>
<td>Conclusion</td>
<td>12</td>
</tr>
<tr>
<td>References</td>
<td>14</td>
</tr>
</tbody>
</table>
Abstract

This paper will explore diversity’s impact on financial decisions in Information Technology and Library Services at Alma College as well as the campus community as a whole. Financial management involves assessing, interpreting, and understanding of the financial aspects of an organization’s resources. Improving the management of an organization’s finances in coordination with its mission can help increase the success, sustainability, and goal achievement of Alma College.

*Keywords*: financial management, Alma College, information technology, diversity, sustainability
Executive Summary

As a private liberal arts college located in Alma, Michigan, Alma College relies mainly on tuition dollars, endowments, donations, and alumni giving for its general fund revenues. Since Alma College is a private education institution, they are not required to publicly release budgetary information including revenues and expenditures. However, assuming no financial aid or assistance, Alma College’s enrollment of 1,450 students with a tuition/room and board cost of $51,256 (Alma College, 2018) per student equals roughly 74 million dollars in student-generated revenue per year.

Additionally, outreach coupled with recruitment efforts for students in national, as well as international, markets have been steadily increasing for Alma College and other institutions of higher education. Indeed, as objective two, priority two of Alma College’s Strategic Plan states the College will “Expand international recruiting and provide a campus infrastructure that supports students from other countries. Metric: By 2020, the percentage of international students will exceed 5% of total student enrollment” (2018). As such, five percent of the total student enrollment at Alma College would equal roughly 72 students from international markets.

Furthermore, objective one of the strategic plan intends to “Develop partnerships and initiatives that ensure our campus better represents the diversity of American culture. Metric: By 2020, the percentage of minority students, faculty and staff will exceed 15% of totals” (Alma College, 2018). These diversity objectives directly impact department budgets and funding priorities. Thus, alignment between the Information Technology Services department’s budget with strategic plan objectives is key to helping the College achieve its diversity metrics.
Workplace Diversity

Creating a more diverse campus community involves implementation and support of campus-wide objectives designed to increase workplace diversity. Workplace diversity is associated with policies designed to recruit, retain, and develop employees from diverse social groups. This leads to a change in the mix of people employed in some cases, and, in other instances, to changes in the type of people employed in specific managerial or technical positions (European Commission, 2003).

Indeed, the need for attracting, as well as retaining, highly skilled technical employees within the Information Technology Services team is evident due to current vacancies in the department. Currently, the positions of the Chief Information Officer and Network Administrator are posted on Alma College’s job openings website.

Increasing workplace diversity can have both positive and negative impacts on the campus culture as well as the surrounding campus community. Successful organizations will recognize the benefits of diversity such as “greater creativity and higher quality of ideas generated in a brainstorming task, increased innovation, and an increased number of perspectives and alternatives considered” (O’Leary, Weathington, 2006, p. 2). Thus, financial management and budgetary considerations are important aspects of an organization’s ability to support diversity initiatives.

The European Commission (2003) states that “Companies adopt workforce policies for three types of reason: ethical; regulatory (demonstrating compliance with anti-discrimination laws); and economic (generating economic benefits that exceed implementation costs)” (p. 9). According to Alma College’s strategic plan, workplace diversity coupled with student body diversity is being driven by ethical reasoning; however, increased enrollment and attraction of
highly skilled technical staff will generate economic benefits to the College as well by.

Increased workplace diversity can improve morale and decrease employee turnover which negatively impacts the College’s financial position.

Organizations that implement successful workplace diversity initiatives strengthen the organization’s long-term competitiveness and increase sustainability. Furthermore, organizations gain additional benefits from a more diverse workforce (Figure 1).

![Graph showing benefits of diversity policies](image)

Fig 1. Benefits Gained from Diversity Policies (European Commission, 2003, p. 3)

Specifically, the European Commission (2003) identifies two types of economic benefits of workplace diversity: strengthening long-term “value-drivers”, as well as generating short and medium-term opportunities to improve cash flows. Long-term value drivers include “building a differentiated reputation with key stakeholders and customers, and improving the quality of human capital within a company” (European Commission, 2003, p. 10). Short or medium-term opportunities provided by workplace diversity may help the Information Technology Services department improve team performance and reduce the operating costs of the technology.
infrastructure.

Additionally, the leadership of the Information Technology Services team at Alma College, specifically the new Chief Information Officer, are uniquely situated to create, as well as implement, strategies that will encourage a more diverse culture for its team members. Successful strategies should be created and propagated in coordination with Alma College’s Human Resources department to ensure compliance with pertinent laws or regulations. Furthermore, proper alignment with campus policies and applicable laws, such as the federal Civil Rights Act, are key components to the sustainability of diversity initiatives.

Increasing workplace diversity involves strategic policies or processes that typically cost the organization money to implement and support. Training, infrastructure, and outreach require budgetary considerations as well as financial prioritization. Strong financial management and support of diversity initiatives can have ripple effects throughout the stakeholder groups. As such, the involvement of key stakeholder groups in the creation and prioritization of diversity objectives are key components to successful workplace diversity implementation. Members of the Information Technology Services department are stakeholders of Alma College; as such, are critically important to successfully retaining, supporting, and developing a diverse workforce.

**Financial Management**

“The fundamental goal of a business is to create value for the company’s owners (i.e., its shareholders)” (Keown, Martin, Petty, 2017, p. 3). With this fundamental goal in mind, Alma College’s leadership teams are under increasing pressure to balance the risks and rewards of creating a more diverse workplace environment. Thus, successfully increasing diversity within the Information Technology Services department, as well as the campus community, must be balanced with proper financial management practices.
As Alma College is a private liberal arts college, careful consideration must be given to the health and stability of the organization’s finances due to fluctuating enrollment as well as employee turnover. Proper financial management involves considering risks and rewards of implementing strategic objectives. These risks may include increased diversity training, diversion of management’s time, reallocation of resources, increasing staff support structures, and project prioritization.

Additionally, according to Dr. Candy McCorkle, Alma College’s Director of Diversity and Inclusion Center for Student Opportunity, Alma College has already budgeted for as well as implemented multiple diversity initiatives (personal communication, July 19, 2018). These initiatives include diversity education for all new hires starting Fall 2018, diversity-related interview questions for faculty as well as non-faculty positions, diversity training for current employees, inclusion of diversity language in position postings, and increased community outreach. Dr. McCorkle also stated that community stakeholder groups including municipal police, foster care/child advocacy groups, and local businesses have been invited to participate in ongoing diversity discussions (personal communication, July 19, 2018). Increased funding and budgetary considerations have been slowly, but steadily, increasing at Alma College as new diversity priorities have been identified.

**Diversity Costs**

Costs of implementing new organizational policies or procedures are typically measured as the return on investment for implementation of said policies. However, the return on investment and budgetary considerations for obtaining the College’s diversity objectives may not always be easily quantifiable. Strict adherence to monetary decision making processes only expand on the bottom-line mentality that drives the desire to “manage” diversity in
the workplace. They do little to address the ethical imperative that organizations must confront to create an inclusive workplace. For example, the bottom-line mentality, and associated diversity literature, all but ignore individuals with disabilities, unless it is to consider the “reasonableness” of required accommodations (O’Leary, Weathington, 2006, p. 3).

Indeed, ethical and cultural returns must also be considered within the framework of the return on investment (ROI) business mindset. Careful consideration must be given towards the impacts of diversity initiatives upon already underrepresented or marginalized groups in the campus community.

Implementing and supporting diversity initiatives such as increased training or employee recruitment typically require additional funding or budgetary considerations. Furthermore, the European Commission (2003) states that organizations face four types of additional costs when investing in diversity policies that include costs of legal compliance, cash costs of diversity, opportunity costs, and business risks of diversity.

Cash costs of diversity initiatives can include specialized staff, education programs, training, facilities, support structures, employee benefits, as well as monitoring and reporting processes (European Commission, 2003). Indeed, the successful achievement of Alma College’s strategic plan objectives involves measurable milestones, or metrics, in regards to goal achievement. For example, the strategic plan’s objective one’s goal of exceeding 15 percent of minority staff, faculty, and student population by the year 2020. For the Information Technology Services department, specifically, this goal can be achieved by hiring diverse candidates for the two open positions of Chief Information Officer and Network Administrator.

The costs of legal compliance may include “record-keeping systems; training of staff;
and, communication of new policies. However, the extent of these costs for a specific business will be influenced by the scale and nature of existing internal processes and current legislative requirements” (European Commission, 2003, p. 10). Indeed, alignment with current and future human resource department policies or procedures are paramount to effectively managing the costs of increasing workplace diversity.

Opportunity costs for increasing diversity in the Information Technology Services department as well as the campus community may include diversion of upper-level management time and resources. However, a more diverse Information Technology Services team may increase department innovation, effectiveness, and efficiency in the future, thus, reducing the dependency on upper-level management’s day-to-day participation.

As the European Commission’s (2003) research states, “Sustainable diversity policies are an outcome of a successful change in corporate culture” (p. 11). Many new organizational directives or initiatives involve proper planning, implementation, measuring, and reporting; all of these processes take time to complete. Indeed, the sometimes overly bureaucratic processes of the campus community will need to be considered in order to allow the leadership of Alma College’s Information Technology Services team the ability to properly plan, implement, measure, and report on strategic diversity metrics.

**Financial Limitations**

As previously stated, measuring the return on investment for obtaining the College’s diversity objectives may not always be easily quantifiable. In this case, the standard bottom-line, or business case mentality, may inherently create barriers to successfully increasing workplace diversity. As O’Leary and Weathington (2006) state

the business case approach to promoting diversity is severely limited. The mixed results
in the existing literature suggest that the proposed benefits of diversity, upon which the business case is based, may not materialize, or are not quantifiable. Further, the business case approach can lead to marginalization of minority employees hired to represent “their” group to appeal to others of “their kind” (p. 6)

Careful considerations must be given to the organizational reasoning behind increasing workplace diversity. Indeed, the ultimate measure of success, as well as the sustainability, of Alma College’s diversity initiatives may depend on the level of sincere commitment to basic ideas of community, equity, and equality. Thus, leaders of the campus community such as the Chief Information Officer, need to become strong and consistent advocates for a more diverse workplace culture.

Even with the limitations regarding quantifying diversity’s specific return on investment, indicators of costs and benefits do exist within the organization based on common business practices. According to the European Commission (2003) measurements of diversity success may include the following business-oriented benefits: reduced costs, overcoming labor shortages, enhanced reputation with stakeholders, access to new markets, access to talent, increased creativity, and innovation. However, these indicators may still be difficult to measure or analyze with more traditional accounting processes and tools.

Additionally, the European Commission (2003) cautions that “Quantification of costs and benefits, in order to produce a traditional analysis of cost-effectiveness, is difficult. Many of the benefits are either highly “context-specific” or difficult to measure” (p. 13). Alma College’s investment in workplace diversity programs or initiatives are forms of cultural and human investments but “As with all forms of investment in human capital there are major gaps in knowledge because of weaknesses in accounting disclosure requirements” (European
Commission, 2003, p. 13). As such, increased transparency, coupled with regular communications involving relevant stakeholder groups are important aspects of the sustainability of any campus diversity programs. Herein lies the importance of information technology and the Information Technology Services team for the success of Alma College’s strategic plan.

Conclusion

Creating a more diverse campus community involves planning, implementation, reporting, and careful financial considerations from all campus stakeholders. Workplace diversity policies designed to recruit, retain, as well as develop employees from more diverse social groups are reflective of an inclusive and respectful campus culture that can be modeled by other communities.

Additionally, measuring the return on investment for obtaining the College’s diversity objectives may not always be easily quantifiable. Thus, traditional finance or accounting principles may not accurately reflect the positive contributions of diversity to the business functions of the organization. However, measurable metrics such as exceeding 15 percent for the percentage of minorities in the student, faculty, and staff populations have been stated in the College’s strategic plan. These metrics have also been attached to an achievement timeline with a deadline of the year 2020.

Furthermore, careful considerations must be given to the organizational reasoning behind increasing workplace diversity. These reasons must include alignment with current human resource policies or procedures, financial support, and budgetary prioritization. Increased advocacy from campus leadership, such as the Chief Information Officer, is key to successful communication with stakeholder groups and the surrounding communities.

Finally, focus must be given to the health and stability of the College’s finances due to
fluctuating enrollment as well as employee turnover. Increasing diversity may help recruit, as well as retain, students and employees from a more diverse population. Due to the nature of the funding model for private colleges, increasing enrollment and retention of students are paramount to the sustainability of the College. Tapping into a more diverse population for students as well as staff may help create a successful, inclusive, and respectful campus community for years to come.
REFERENCES


