

## ***The Client Interview:***

**Editor: Pamela W. Carter**

*A conversation with Fred Keeton, Vice President for External Affairs and Chief Diversity Officer, Harrah's.*

This Special Section of the Newsletter is devoted to highlighting someone who is making a difference on the diversity front. Indeed, today's economic climate has brought to light the real commitment companies have to advancing diversity as corporate budgets drain. Throughout the workplace and marketplace, despite economic troubles, companies are committed to creating a challenging, satisfying and equitable environment in which employees and vendors alike can reach their full potential and maximize their contributions to the companies, their goals and objectives.

*DiversityInsider* recently caught up with Fred Keeton, Harrah's Vice President for External Affairs and Chief Diversity Officer, to discuss his views on diversity processes, his background and experience as vice president for the world's largest gaming company.

Harrah's, like leading corporations around the world, understands that being focused on diversity yields returns in myriad ways. "It's more than just a 'feel good' effort," said Keeton. Keeton agrees that if diversity is managed effectively, corporate cultures are enhanced by it; corporate bottom lines are improved through it; shareholders' pockets are enriched by it.

A real commitment to diversity must continue in order to extend support to customers, business partners and communities regardless of good or bad times. "We need to focus more broadly on cognitive diversity, rather than solely on identity as a source of diversity," Keeton observed to us in an interview. "This allows us to configure teams that generate superior economic value by generating better solutions to real business problems. In this way, diversity becomes much more than a compliance issue or an abstract ethical value – it becomes a commercial necessity."

***Editor: Fred, you have very actively promoted diversity during your career at Harrah's. Do you think there is an unrealistic expectation that the lack of diversity within law firms, boards and corporations should have been resolved by now?***

**Keeton:** Yes. Today, it is no longer necessary to convince management of any major company that diversity is an important objective and that it contributes to shareholder value. However, it is unrealistic to think we would have achieved ultimate diversity. Diversity is not a static issue. It is a dynamic issue that changes within the construct of our times. Whether economic or changing, demographic issues, globalization, or our very existence in the way of personal and professional lives, simply as time changes we must view the world differently. We must focus on what we are trying to accomplish. Now most of what we do is accomplished through technology. We only see inputs and outputs. We don't have adequate collaboration, or "throughputs," with the people to

whom we are working. Mostly senior leader influencers are the ones actually making the majority of decisions associated with our work. We only have surface engagement with our work product. We have to find a way to stay engaged despite the technology.

With the proper environment, dynamics of diversity and inclusion have changed from being considered solely a remedy for past discrimination to the launch pad toward continuous improvement and innovation in the global economy. Many still view diversity as simply a policy to make their offices less vulnerable to discrimination suits. Others finally recognized the larger potential and felt the need to motivate those in their companies to join in the new diversity challenge.

***Editor: What is your role in Harrah's Diversity efforts?***

**Keeton:** My responsibility is strategic and enterprise wide. I promote and lead our efforts at diversity and inclusion from supplier and contracting, human resources, marketing, community reinvestment, innovation and continuous improvement standpoints.

At Harrah's we use a parallel path in our approach to diversity. We know it is extremely important to ensure diverse representation in our employment, suppliers, community reinvestment, and marketing. That diverse representation is the central component that allows us to catalyze and yield manage diversity to drive specific business outcomes. The performance potential of any team depends upon the number and relevance of diverse cognitive tools it possesses. Our ability to identify hard problems or complex opportunities, strategically create diverse by design teams, engage those teams through inclusion, and generate breakthrough outcomes are key to making diversity and inclusion business critical at Harrah's.

***Editor: Do you think that your own diversity has actually helped you in your attempts to revolutionize the concept of diversity?***

**Keeton:** I have spent the last several years trying to change old ways of thinking about diversity. Many professionals have not taken their definition of inclusion beyond the politically correct attachment to protected class identity. The expanded diversity and inclusion approach, using the cognitive dimension as its core, is new and often misunderstood. Rather than simply counting heads, our approach ensures that we make heads count. In other words, we all have our cognitive core. That core is developed from both genetic and experiential standpoints. Research shows that how we think and process information is 20% to 30% nature or genetic, and 70% to 80% nurture, or resulting from our environment. The relationship between how we think, and the environment in which we have been nurtured are what creates our diverse cognitive tools. Because we are genetically different, and we develop in differing environments, our cognitive tools are different. That difference, again, is what makes teams smarter if we create a formal approach to managing it.

Being a 52 year old African American male from Mississippi, with various other dimensions in my background has dictated development of my cognitive tools, and consequently how I engage the world. As a result, my full range of diversity dimensions contribute to what I bring to my team. These tools, if managed appropriately, can make the team smarter.

How do we specifically yield manage diversity? We begin by identifying a difficult problem to solve, or complex opportunity to take advantage of. Any team or group, diverse or not, can solve an easy problem. What may seem revolutionary to some, is that Diversity is most potent and has its greatest utility when managing your most difficult and complex issues.

***Editor: Why did you create Diverse by Design Project teams and have you seen any success with them?***

**Keeton:** Too many diversity practitioners make the umbrella statement, “diversity is good.” Well, diversity simply exists unless we create a defined process to yield manage it. Diverse by Design teams are created so that there is a formal process, a real tangible system and approach, that allows us to focus on a specific issue, view it in ways radically different than the norm, and generate solutions and approaches that meet the customers needs in new and compelling ways. In a sense, our ability to yield manage diversity allows a ten person Diverse by Design team to create a collective eleventh team member. That collective eleventh team member is much smarter than the other ten, and identifies the very best business outcome in the context of the customer and profitability. That is the true value of diverse by design teams. We have fielded a number of diverse by design teams, and their results have been unique and compelling when compared to the routine approach.

***Editor: What is one of our biggest diversity challenges?***

**Keeton:** Our ability to effectively manage our diversity is the grand challenge for this country and has been since its inception. How do we better understand and value our diversity, and more importantly, how do we challenge it to produce the very best outcomes. Those of us who learn to effectively manage diversity in our work lives can use that same technique within our communities, nuclear and extended families to improve the quality of life.

***Editor: What is one of your most proud accomplishments?***

**Keeton:** First, my daughter, Brittany Elizabeth, has turned out to be a wonderful woman. That is quite the accomplishment. Second, I am most proud of creating a solid foundation for driving sustainable business outcomes through diversity and inclusion. This is a new direction, not a destination. There is still improvement to be made. But, we have approached the diversity topic in a way that is totally inclusive. We have created something unique and business applicable. Some people talk about an inclusive environment, but they have not truly begun creating it. Understanding that our diversity relates directly to our cognitive tools, or our smarts, is the first step in repositioning the topic. I am gratified to have led that effort at Harrah’s.

***Editor: What direction should future diversity efforts take the legal profession?***

**Keeton:** In five years I'd like for law firms to have identified the compelling value proposition for diversity and inclusion. Law firms, companies and organizations engage around diversity and inclusion at three levels. First, is compliance. Diversity efforts are being driven by regulation, legislation and litigation. This is viewed as a negative external “forced to do.” The second level is character. Here, we engage because we have some moral obligation or mandate. This is considered a business positive “nice to do.” However, at this level when times get hard our diversity efforts are usually first to go. The third level is commerce. At Harrah’s we operate as employer of choice for top talent, firm of choice for new opportunities, or the most profitable business in our practice areas.

In executing diversity well, we drive innovation and support continuous improvement. The wonderful thing about the commerce level is that we automatically capture compliance and character because they then encompass how we view the world.

If law firms can begin to push the link between diversity and commerce and operate at the third level, we will see monumental changes. We have never gotten to the business case because we have not developed a diversity and inclusion apparatus to solve hard problems and take advantage of complex opportunities at the operations level. If we can motivate forward thinking bellwethers to really lead differently, we will see a quantum leap in how the world views the diversity and inclusion topic. The ability to drive business outcomes in a law firm is ultimately key.

***Editor: What was the basis for the Diversity Design Teams?***

**Keeton:** Diverse by Design teams serve as our formal apparatus to yield manage diversity. Here are the simple steps. First, we must have a clearly defined business goal. Second, we need to put together a diverse team with relevant dimensions of diversity considering our business goal. Third, we ensure an environment where ideas and insights can be shared unfettered without fear of repercussion. Fourth, we ensure that all team member ideas, no matter team member rank, are heard. The best idea wins. If the previous three steps are in place we will get many ideas. Fifth, we ensure a formal structure and process to both synthesize and distill from the many ideas a solution that is actionable, scalable, and sustainable.

This structured apparatus is what allows us to yield manage diversity and inclusion and drive specific outcomes from it. The magic is in the process.

***Editor: Any final thoughts?***

**Keeton:** Managing diversity and inclusion in our global environment is no longer an option. It will ultimately be our ability to engage world wide that determines our success. This global economic crisis should have taught us that we are all fully connected. Effectively managing that connectivity is key to the world's future and this country's success.

***Editor: What is the most important lesson you have learned?***

**Keeton:** My daddy would often say "If everybody agrees with what you say, you ain't saying nothing. And if everybody agrees with what you do, you ain't doing nothing."