

BUILDING OUT THE *Strategy for D&I*

If you've just been named your company's first D&I executive, you probably have a million things you'd like to do.

But how do you gain the support of senior management so you have enough budget and organizational clout? If you already have a D&I department in place, you will want to know the most effective ways to increase your efficacy in the organization. This may depend on the reporting structure—increasingly, D&I heads report to the CEO or a direct report to the CEO. It also depends on your own background. In the past, most heads of diversity (or chief diversity officers as they are often known) came out of HR background but increasingly today companies are choosing line officers to run their D&I initiatives, partly because they have the respect of their colleagues.

Insights from the 2017 DBP Inclusion Index

PROGRESS REPORT

D&I Executive Reports To:

CEO:



1 Report From CEO



2 Reports From CEO



Status of D&I Budget in Past 12 Months

Increased



Decreased:



Unchanged:



IN THIS CHAPTER

For companies new to or in early stages of D&I

- How to set up a diversity department and establish priorities
- Mapping out your D&I strategy
- What should be included in your budget and where do you get funds
- Getting buy-in from senior executives on your plans and starting an executive diversity council

For companies advanced in D&I

- Developing varied types of councils – regional, ERG—and communicating and implementing strategy through all councils
- Expanding budget through alternative sources (ERG sponsors, business functions)
- Using D&I executive and staff as key business strategists
- Effective use of board to advance D&I strategy

Part I: For companies new to or in early stages of D&I**STRUCTURE AND STAFFING**

At some companies, D&I is housed under Human Resources; at others, the D&I function has its own office and a Chief Diversity Officer who reports directly to the CEO. Given these variables, budgets and staffing for D&I vary widely across industries and regions and also depend on the responsibilities that fall within the function at large. Most importantly, companies must assess D&I responsibilities and desired outcomes for their own unique organization and determine appropriate budget and staffing needs from there.

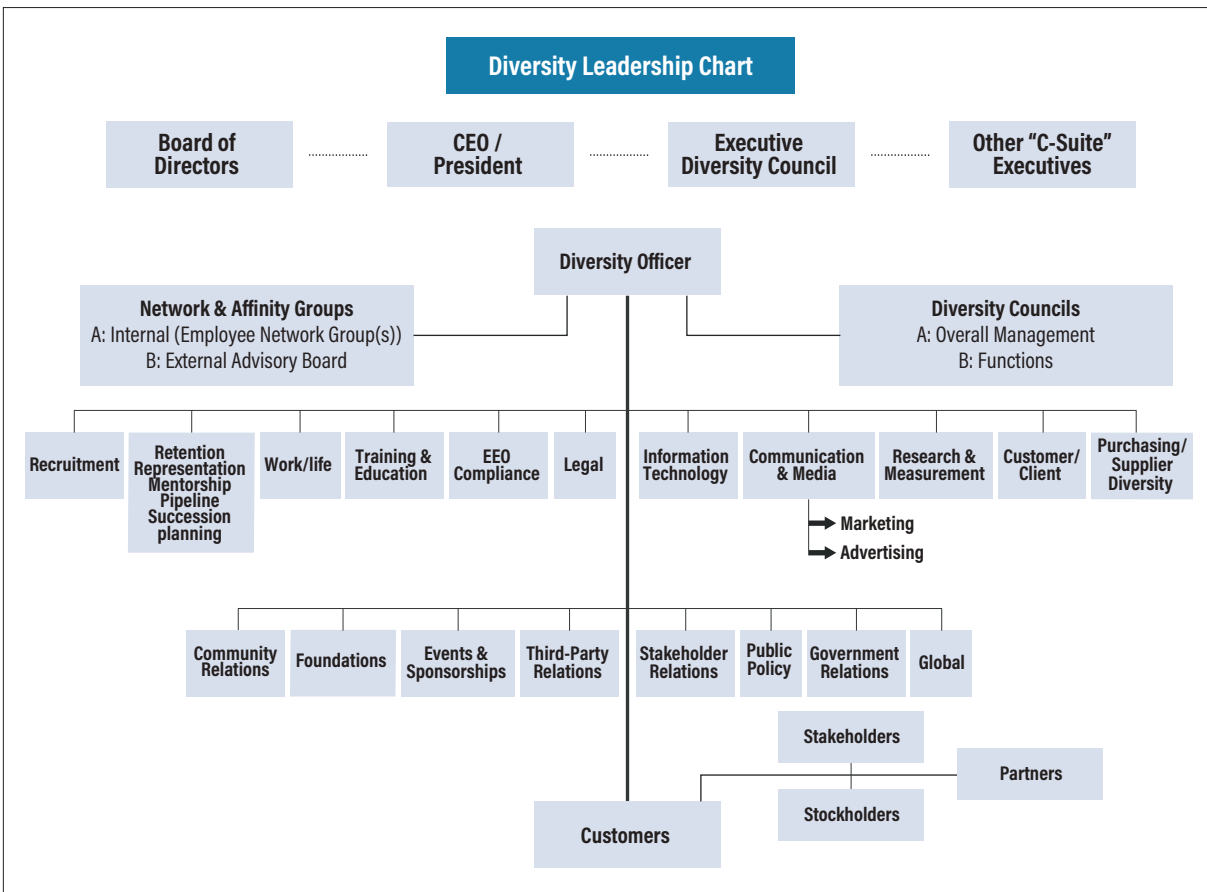
Staffing components may include:

- Recruiting
- Retention staff functions with mentoring and other tools to support the function; pipeline and succession planning
- Employee resource groups and support for diversity and inclusion council(s)
- EEO, Affirmative Action and compliance • Legal costs for diversity and inclusion
- Diversity initiatives/programs
- Diversity communications
- Technology (generally recorded as a corporate overhead expense)
 - Sales and multicultural marketing
- Events and sponsorships
- Third-party relationships
- Public policy and government relationships
- Foundations and philanthropy
- Global diversity and inclusion staffing
- Community relations
- Ethics training and compliance
- Supplier diversity (most companies have under procurement with dotted-line responsibility to D&I department)

LEADERSHIP STRUCTURE

An effective diversity and inclusion initiative leverages internal and external stakeholders across the organization, throughout the business units, to customers and community. What is important is access at the top including the CEO, Board of Directors, and

DIVERSITY & INCLUSION GOVERNANCE STRUCTURE



Assessing Key Stakeholders • Provided by JohnsonReece Consulting

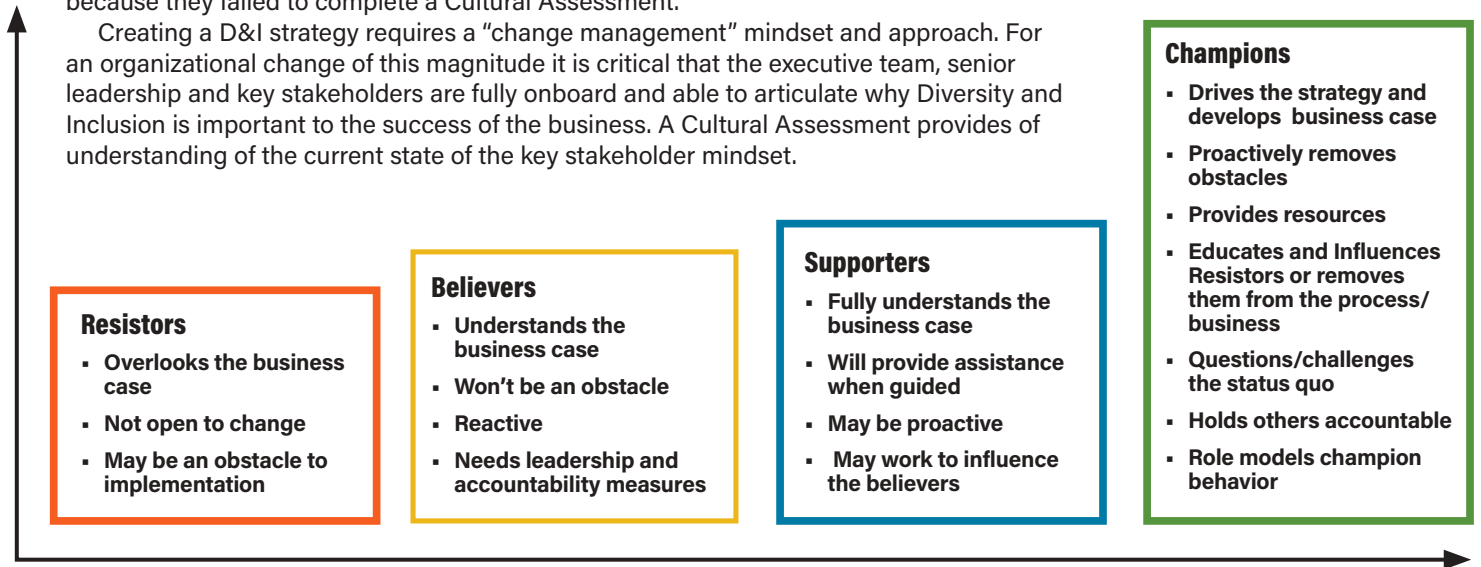
Cultural Assessment

It is common for organizations to complete a data analysis to inform their business case. However, most D&I leaders fail to appropriately assess the support and understanding within their key stakeholders' population.

A **Cultural Assessment** is especially essential for those new D&I functions or in the early stages.

Many D&I leaders find themselves frustrated by lack of support and progress. It is likely because they failed to complete a Cultural Assessment.

Creating a D&I strategy requires a "change management" mindset and approach. For an organizational change of this magnitude it is critical that the executive team, senior leadership and key stakeholders are fully onboard and able to articulate why Diversity and Inclusion is important to the success of the business. A Cultural Assessment provides of understanding of the current state of the key stakeholder mindset.



diversity and inclusion councils and business units. Whatever your structure, key elements should be:

- Support from top management
- Diversity and inclusion responsibility in operational functions
- Demonstration of different functions that make for best-in-class diversity and inclusion

If the functions and responsibilities are aligned, there is greater commitment, efficiency, effectiveness, productivity, and revenue. Alignment is one major aspect of success. The other is the success of each function as it is applied to diversity and inclusion. We have provided samples of organizational charts that include these elements.

BUDGET

In order to support numerous functions companywide and aid the organization in revenue generation, the diversity and inclusion office must first have adequate resources, including a budget and staff that are large enough to allow it to perform its functions fully and at top quality.

A recent study released by the Society of Human Resource Management (SHRM) reported diversity-department budgets at Fortune 1000 companies average around \$1.5 million per year. The range for diversity department budgets was \$30,000 to \$5.1 million. When diversity was housed in Human Resources, the average annual diversity budget was \$239,000. Some of these budgets may include multicultural marketing and advertising; however, many companies report those expenditures under marketing or sales while advertising funds for D&I are typically reported with the advertising budgets. The philanthropy and community relations budgets are reported under separate areas, but again, comprise a key component in the best companies. Diversity and inclusion education, training, and e-learning are generally the largest upfront costs. At times they are allocated to diversity and inclusion, but more often they are allocated to the overall HR training budget since training and development can be investments that are tied to so many areas and at so many levels.

But when starting a diversity department, your initial budget may be much smaller. You will need to make the case to your senior leadership as to why this is so essential to the business.

Showing the business case is first priority and must reflect back to your organization's mission, goals and strategy. Anything not directly related to the business should be excluded. Use business-related metrics to bolster your business case. Lastly, be sure to seek input and review from decision making/influential D&I champions and ask for their advocacy and support in presenting and winning your budget

Some examples of linking your budget to the business case:

- Diversity and Inclusion leads to higher engagement, which increases employee discretionary effort and drives higher productivity and lowers regrettable losses.
- Talent: Turnover costs are reduced and retention rates higher, affecting recruitment efficiencies.
- Commerce: Diversity and Inclusion leads to more effective and innovative problem -solving and solutions, meeting marketplace demand and differentiating your brand

3 TIPS FOR EARLY STAGE D&I STRATEGY

- 1 When budgeting items, keep in mind that you must justify to senior management why they link to business goals (i.e. recruiting diverse talent, starting employee-resource groups)
- 2 In creating an executive diversity council, ensure specific goals are spelled out and regular metrics evaluate success
- 3 Clearly communicate the chain of command for your D&I executive and team, including dotted-line responsibilities. Poor communication and reporting confusion often undermine D&I strategies

Here is an example of how to approach your budgeting process:

1. Set Goals/Priorities

COMMERCE	CULTURE	CAREER
<p>Grow Market share</p> <p>Each ERG will be tasked with establishing one business goal that will assist in growing company ABC sales. e.g. Hispanic ERG increased Hispanic sales 200 percent across all market area; e.g. company attributed 7 percent of market growth because of innovation as a result of diversity efforts</p>	<p>Hire and Retain the Best Talent</p> <p>All leaders and managers will participate in Unconscious Bias training to mitigate bias in people and HR processes and to ensure all employees' experiences are maximized. Unconscious bias training increases retention, improves diverse promotion rates and lowers turnover costs.</p>	<p>Hire and Retain the Best Talent</p> <p>Establish a diverse talent pipeline development program to provide top diverse talent with visibility, sponsorship and on-the-job business experiences to fast track promotability.</p> <p>Current promotability rates of African Americans and Latinos lag Whites by 36 percent and 29 percent, respectively</p>

2. Assign budget dollars to each priority also taking into account, prior results, number of employees, ROI of each priority

COMMERCE	CULTURE	CAREER
<p>\$10,000 for each ERG (funding for client and cultural events for branding, promo materials, advertising).</p>	<p>\$50,00 for Unconscious Bias training for Performance Management</p>	<p>\$75,000 for development of diverse sponsorship program. 25 participants (\$3,000 each for executive coach)</p>

3. Establish metrics (where you want to go and how you want to get there) to ensure you are tracking impact and ROI.

COMMERCE	CULTURE	CAREER
<p>\$10,000 for each ERG:</p> <p>Number of promotional materials distributed at LGBTQ Pride event</p> <p>Number of increased sales or calls as a result of promo materials</p>	<p>Number of participants</p> <p>Audit performance management ratings</p> <p>Increased employee satisfaction on employee surveys regarding performance management</p>	<p>Number of participants, number of sponsors</p> <p>Promotion or mobility rates of participants</p> <p>Performance review improvements</p>

DEVELOPING A DIVERSITY & INCLUSION STRATEGY

There is no one way to create your strategy for diversity and inclusion as every organization has to address unique needs, stakeholders and organizational structures. However, there are key elements to every strategy that are important to keep in mind as you build and develop your own. Let's look at two ways to approach strategy development.

Mapping Your D&I Strategy

The D&I Strategy Map provides the basic template for developing a comprehensive D&I strategy. In one place, it lays out for you each element of a strategy and suggests topics that would logically fall under those elements. It is unlikely that your company will use every element and topic delineated here, as you will want to focus your strategy based upon the D&I objectives and goals you have set for your company and your proprietary allocation of scarce resources. So, we recommend that you select the appropriate suggested elements and topics to flesh out your company's individual strategy.

VISION: In articulating the Vision, review your company's existing vision statement to ensure the proper alignment and to reiterate the compatibility of your D&I effort with doing good business. You may want to use the same Vision statement, or narrow the focus to direct references to your company's workforce and commitment to people.

MISSION: Your mission statement will be a direct reflection of how your D&I effort will help your company realize its stated Vision. More tactical than your Vision statement, it will state the focus of your D&I effort at the enterprise level.

STRATEGIC PRIORITIES: In order to be effective, you should not have more strategic priorities than you have resources. You will want to state your strategic priorities, based upon your company's D&I objectives and goals, and set a timetable for achieving them. The four priorities suggested here (Career, Commerce, Culture and Community) have historically been the focus of companies committed to D&I, and are the foundation for Diversity Best Practices' research and consulting practice.

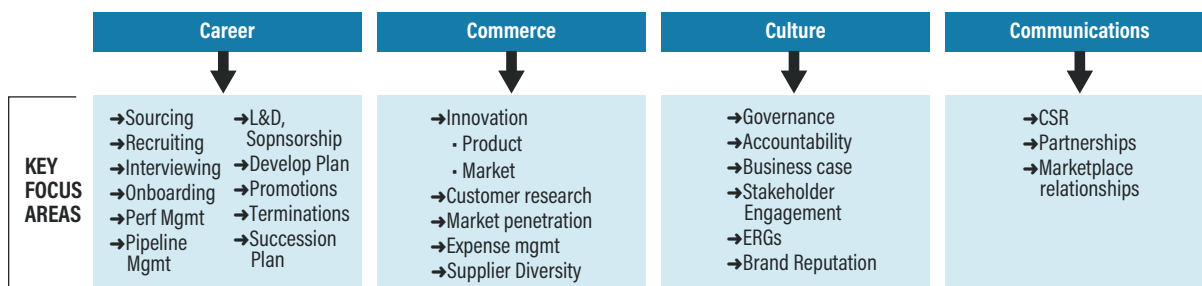
KEY FOCUS AREAS: Under each of the four Strategic Priorities, are listed the activities that are traditionally associated with each priority. These lists will remind you of the many

D&I Strategy Map

VISION Ensure Alignment to the Business Strategy: Winning Culture, Better People, Better Business

MISSION Diversity & Inclusion develops strategies and programs to recruit and retain diverse talent; and to create and maintain an inclusive environment where all employees have the opportunity to achieve their full potential.

STRATEGIC PRIORITIES



ACCOUNTABILITY	MEASURES	COMMUNICATION	HR SYSTEMS/ PROCESSES	KEY PARTNERS (for example)	2016 BUDGET
Customers/Clients Board of Directors Executive/Senior Leadership Management Employees	Scorecard/Dashboard Gap Analysis Benchmarking Diverse Suppliers-Spend Regulatory Reporting ERG Updates	Internal External Accolades PR/Brand Transparency	Talent Acquisition Talent Management Employee Engagement Performance Management Succession Planning HRIS	Human Resources Supplier Diversity	\$\$\$\$\$
				KEY CUSTOMERS	
				Division 1 Division 2 Division 3	

options you have to address your priorities and achieve your goals. The diversity lexicon frequently includes the words “weaving D&I throughout the fabric on the company.” This means that the routine activities in which your company engages reflect a diverse and inclusive mindset. We recommend you continually review your current engagement in these activities, and those you add to the list, to ensure an inclusive mindset is at work; and that each activity supports your D&I Mission and Vision.

ACCOUNTABILITY/GOVERNANCE: This section suggests the members of your company’s organization of whom your D&I effort should be mindful and to whom it should be accountable.

MEASURES: Here is a list of methodologies for measuring leading and lagging D&I indicators. By way of definition,

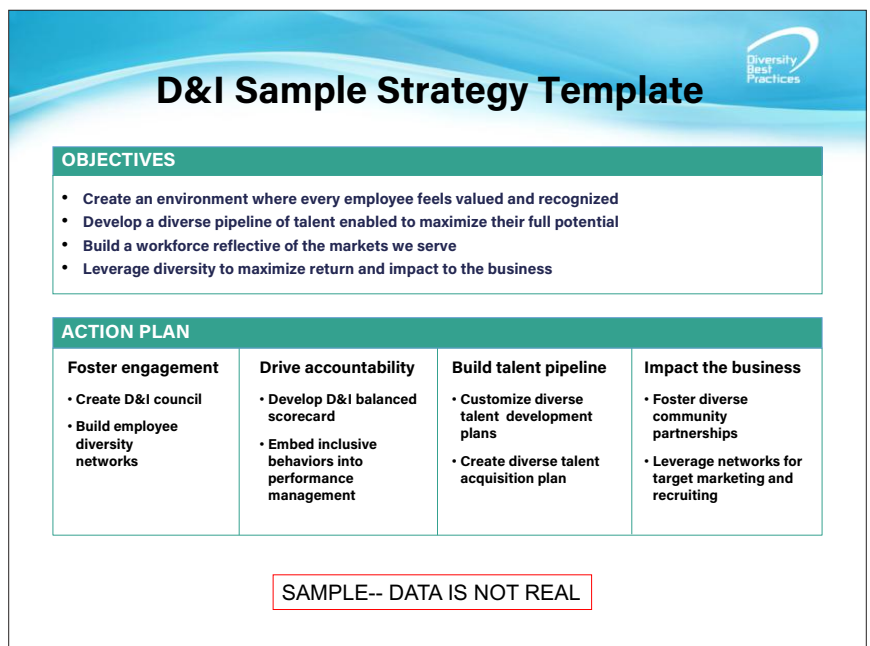
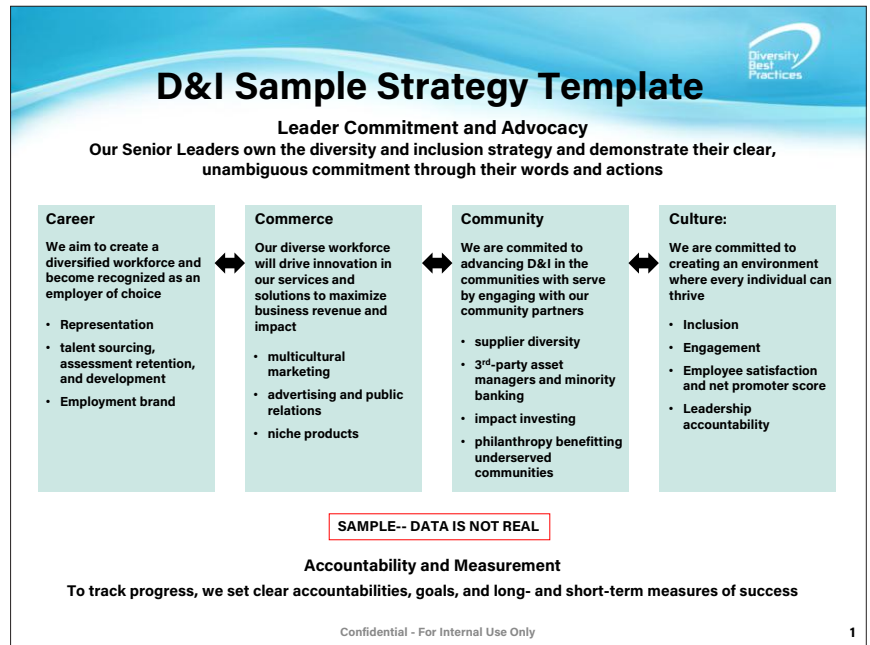
- Leading Indicators: Change quickly; seen as a precursor to the direction something is going; come before a trend; business drivers
- Lagging Indicators: Measure performance data already captured; track how things are going; backward-focused.

COMMUNICATION: Consider the channels listed in this section and how each of them impacts constituencies inside and outside of your company. No matter how robust and successful your D&I strategy is, if it is not communicated effectively it will go unnoticed and unrecognized. Tailor your communication to each channel to maximize effectiveness.

HR SYSTEMS/PROCESSES: There is no more powerful way of ensuring a diverse workforce and inclusive environment than leveraging the tools and resources of your company’s Human Resources department. In the Key Focus Areas of Career and Culture, unbiased people processes are critical. Your D&I strategy must inform your HR strategy (and vice versa) and the policies, procedures and activities of both must seamlessly interact and reinforce each other.

KEY PARTNERS, KEY CUSTOMERS AND

2016 BUDGET: The remaining three sections are completely customizable and very important in terms of maintaining focus. D&I is a complex discipline therefore, to implement a successful strategy from which you realize measureable results for your company, you need to stay focused.



Developing a Diversity & Inclusion Strategy

BY HAVEN COCKERHAM

President & CEO • Cockerham & Associates, LLC

Background

Organizations across all industries are increasingly discovering opportunities to leverage diversity and inclusion (D&I) to drive business results as they seek to:

- Maximize organization capability through work-force talent and intellectual capital
- Enhance employee engagement
- Strengthen marketplace presence and reach
- Create cultures of inclusion, innovation and productivity
- Enhance customer satisfaction
- Build organization capacity and leadership excellence
- Enhance external reputation
- Move beyond awareness and training to impact the business

To achieve the above opportunities, organizations seek to approach D&I strategy as they have approached other integrated business processes and require comprehensive D&I strategies that are:

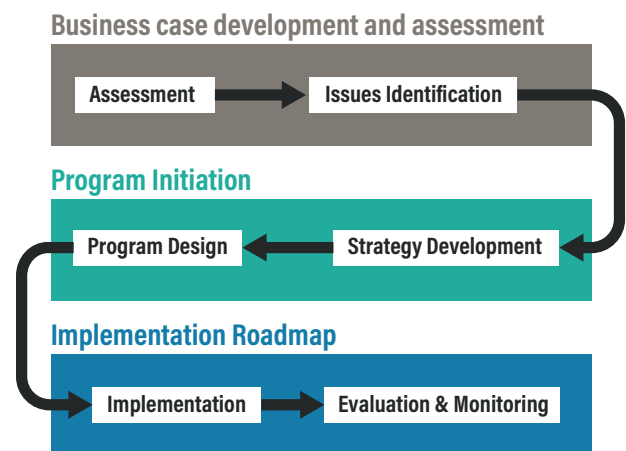
- Actionable – providing specific goals, strategic drivers and actions plans with built-in accountabilities
- Impactful for the Business – addressing individual and cross-functional D&I implications for employees, staff functions, business units and senior leadership
- Customer Focused – addressing the needs of and providing added value for internal and external constituents
- Measurable – developing metrics at multiple levels to ensure that the organization knows when it is progressing quarterly, annually and long-term
- Sustainable – integrating D&I aspirations into normal business practices and implementing organizational structures for monitoring and performance assessment

Developing a D&I Strategy

In developing a Diversity & Inclusion strategy, it is critical to take an approach that engages as many stakeholders as practicable to ensure buy-in,

commitment and sustainability. D&I practitioners should gain the perspectives of key stakeholders, executive leaders and subject matter experts and the broader employee or associate base. Combined with external research, qualitative assessments and quantitative analysis will help identify three to five pillars around which the D&I strategy should be built for maximum organizational impact. By engaging strategy development teams, facilitated working sessions can be utilized to develop strategy content including SMART goals, strategic drivers, metrics and action plans for each of the pillars.

The following phased approach has proven successful in developing, implementing and measuring the impact of a comprehensive D&I strategy:



Cockerham & Associates Strategy Development Workflow®

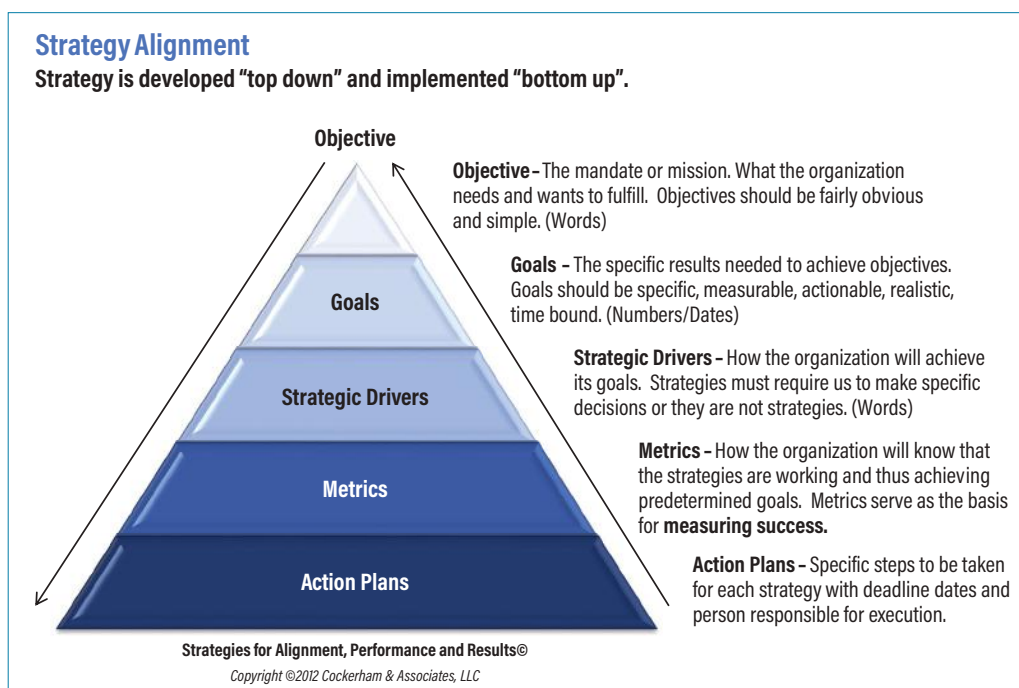
Assessment: Conduct a qualitative assessment to gather data and information from a wide range of leaders, employees and possibly external stakeholders relative to their perspectives around opportunities and challenges for an effective D&I effort at your organization. With leaders, look to determine their level of understanding of the subject and aspects of diversity and inclusion to help drive success in their specific areas of the business. With employees, seek to determine their expectations, if any, relative to how a focus on diversity and inclusion might have a positive impact on their contributions to the business.

External assessments should be made to determine the expectations of customers and communities in which the organization does business. Finally, a quantitative organization analysis should help determine the areas of strength and challenges relative to workforce diversity and inclusion.

Issues Identification: The qualitative and quantitative assessments will highlight the opportunities and challenges for the organization. Identifying the three to five most critical areas will help the organization focus and determine the essential pillars around which their diversity and inclusion strategy should be built. During this phase, it is essential to gain senior leadership approval and buy-in.

Strategy Development: Engaging strategy development teams around the strategic pillars provides an opportunity to broaden organization understanding of the business case for D&I as well as the ownership and accountability for D&I strategy performance. The strategy teams comprised of appropriate subject-matter experts and key stakeholders should can develop the D&I strategic content including objectives, SMART goals, strategic drivers, metrics, action plans, owners and accountabilities.

The following model reflects a proven structure for developing D&I strategies:



Program Design: Several programmatic requirements could be identified during the strategy development phase including:

- Employee mentoring and development
- Employee recruitment, retention and engagement
- Employee/Business Resource Groups
- Branding in the marketplace
- Customer acquisition, retention and satisfaction
- Product innovation
- Organization training and learning

Strategy Implementation: Organizations achieving the greatest success implementing and gaining impact for their D&I efforts have implemented processes to gain the support of other functional areas such as communications, human resources, community affairs, operations, corporate strategy and marketing. Long-term sustainability of D&I efforts is dependent on the ability of the organization to integrate D&I with everything that the organization pursues. Additionally, it is important to note that the implementation of a D&I platform is a change management effort and that incorporating elements of specific large-scale change and culture change processes are essential.

Evaluation and Monitoring: The approach to D&I strategy development as described above engages a broad base of the organization and should result in a D&I strategy that has impact across the organization.

The on-going monitoring, measuring and reporting of progress provides visibility into the D&I efforts and the value that these efforts bring to the organization. Further, quarterly reviews help the organization understand how well it is performing on the strategy it developed and potential challenges that might impede its ability to achieve desired results.

The use of computer generated scorecards and reports is an effective and efficient method of communicating D&I impact in a language that is generally

accepted and understood by the senior and executive leadership of most organizations. Technology solutions for D&I strategy management and reporting include:

Summary

As with other business processes, D&I departments must effectively integrate their people, process and technology to achieve short-term and long-terms aspirations. Following the above approach to developing a D&I strategy accomplishes that objective.

People: The approach captures the thoughts and aspirations of employees and leaders by engaging them during the assessment process through interviews and focus groups. The process further engages subject matter experts and stakeholders in

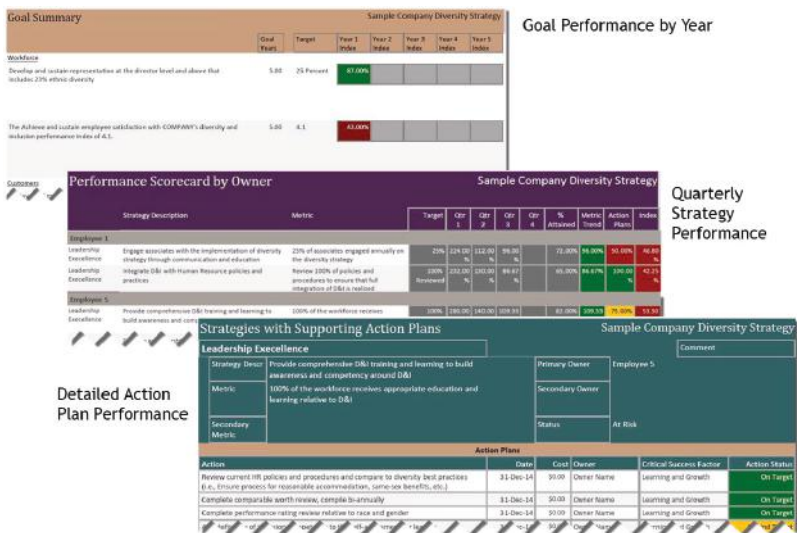
strategy development to encourage communication, commitment and ownership.

Process: The strategy development process provides consistency, alignment and a platform for common language relative to D&I across the organization. The process also provides for quarterly reviews and assessments of strategic performance.

Technology: A strong technology solution will enable organizations to efficiently aggregate and report on strategy performance – avoiding stand-alone spreadsheets, Word Documents and PowerPoint presentations. Technology solutions enable organizations to accelerate and expand more broadly their D&I efforts.

Strategy Implementation Performance Scorecards

Strategy Lighthouse™ is a cloud application that enables organizations to manage the implementations of their strategy and monitor strategic performance. It utilizes scorecards, reports and a performance index to depict D&I strategy implementation effectiveness. It is a powerful tool that can be used when tying strategy performance to incentive compensation.



ERG Insight™ is a cloud-based application that comprehensively manages employee resource groups, business resource groups and councils. It aligns group initiatives with D&I pillars, measures group performances and provides a platform for managing group membership and events. A dashboard is provided for updating initiatives, action plans and metrics and generating scorecards and reports.



Action Planning Worksheets

Goal, Strategic Drivers, Metrics & Action Plans

SMART Goal Statement:

Strategic Drivers	Metric	Owner	Action Plans
			<ul style="list-style-type: none"> Action 1 Action 2 Etc.
			<ul style="list-style-type: none"> Action 1 Action 2 Etc.
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Strategic Drivers and Action Plans

Strategic Driver Statement:

Action Plans	Cost	Owner	Due Date
Action Plan 1			
Action Plan 2			
Action Plan 3			
Action Plan 4			
Action Plan 5			

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DIVERSITY COUNCILS

Executive diversity councils are composed of executive leaders and officers who are responsible for aligning the D&I program with the corporate mission and strategy, demonstrating the commitment of the company's leadership to diversity, and ensuring the application of the D&I strategies at all levels of the organization. A company's CEO may chair this council and/or appoint its membership, which generally includes executive committee members and senior management.

Diversity Best Practices has published a practical definition of this type of council:

"Usually led by the chairman, CEO or chief diversity officer, [executive diversity] councils are made up of senior vice presidents, vice presidents, business-unit heads or other high-level leaders from all of the key company's business functions or core businesses. In general, this council develops the comprehensive, integrated diversity strategy that drives company best practices, goals and objectives, and monitors the company's progress against those goals and objectives."

D&I professionals who are developing internal D&I councils for their companies should ensure that these practices inform the entire planning process.

- Most successful diversity council programs: Demonstrate the commitment of top management to diversity and inclusion
- Embed the diversity and inclusion function across the enterprise with strong connections to business units and operational divisions
- Clearly delineate diversity roles and responsibilities and provide for ongoing assessment to ensure effectiveness

Project planning is key. Time spent in researching, discussing, evaluating, sharing, and examining will pay significant dividends when launching a council, as well as generating high-level support for the program.

Of course, you must ensure that you have a defined and agreed-upon set of goals and objectives when you begin the planning process. However, you need to allow the data gathering process to inform your selection and ensure you understand the opportunities and pitfalls associated with the creation of D&I councils.

A central aspect of this process is deciding the goals and objectives:

- What do you want to achieve and what council attributes will help you reach these goals and objectives?
- How will your council support and advance the business?
- How will the council communicate its value to stakeholders and gain their support and participation?

DEFINITION OF A DIVERSITY COUNCIL

"Usually led by the chairman, CEO or chief diversity officer, [executive diversity] councils are made up of senior vice presidents, vice presidents, business-unit heads or other high-level leaders from all of the key company's business functions or core businesses. In general, this council develops the comprehensive, integrated diversity strategy that drives company best practices, goals and objectives, and monitors the company's progress against those goals and objectives."

Inclusion and Diversity Councils

BY REDIA ANDERSON • Founder, Managing Partner, Anderson People Strategies, LLC
Former Chief Inclusion & Diversity Officer, BP, former Chief Diversity Officer, Deloitte & Touche USA

Benchmarking and empirical data provide substantial evidence that which shows those organizations with effective Inclusion and Diversity Councils deliver sustainable results to the talent pipeline, and marketplace. In fact, no successful I&D effort has existed without an effective Inclusion and Diversity Council. The council serves as a powerful connector to the overall business strategy and the diverse human capital needs to grow business.

The purpose of an Inclusion council is therefore three-fold: 1) strategic accountability for results; 2) governance by senior leadership and 3) company – wide communications on tangible I&D progress

The most effective I&D councils are led by the CEO in partnership with the Chief Inclusion and Diversity Officer. According to DiversityInc., a well-known I&D publication and research organization, 62% of the CEO's on their list of Top 50 I&D recognized companies lead their Councils. "When the CEO chairs the council, there is enhanced visibility throughout the organization and accountability for actual goals". The CEO and his/her senior leadership team who make up the council provide the broad horizontal reach for the Inclusion strategy implementation (the "what") and the middle managers who directly touch the masses of employees provide the depth of reach to the implementation strategy (the "how").

It is worth noting that councils may also be led by Human Resources, Employee Resource Groups, or a committed group of employees who are championed by senior leadership, or some combination of the above. These councils are often viewed as less effective, however, in that they may lack enterprise-wide accountability and may not be directly tied to the business where it matters most.

While it is critical to have a well-positioned council, it is equally important to have the right people on the council. Council members are well-respected, highly influential leaders with a strong sense of fairness and equity who lead key business operations. These leaders are also keenly attuned to the impact and importance of a diverse talent pipeline on an organization's success, both short and longer term.

Inclusion Insights – Responsibilities of I&D Council Members

- | | |
|---|---|
| → Assist the CEO/ CDO in the co-creation of the I&D Strategy and milestones | → Identify I&D barriers/strengths within existing HR practices that impact retention, advancement, recruitment, training, key assignments. Mitigate barriers; enhance strengths |
| → Identify I&D barriers and strengths in existing marketing strategies that impact branding. Mitigate barriers; enhance strengths | → Co-create with key stake holders interventions to address issues associated with barriers |
| → Create content and custom messages for Communications team to deliver to leadership, middle managers, and general employee population | → Working with Learning department, identify specific I&D education content to be included in professional development offerings |
| → Broadly share knowledge on I&D successes and best practices | → Act as change agents for the organization |
| → Become vocal spokesperson and advocates for your organizations I&D efforts | → Challenge the status quo; strive for sustainable progress |

While the information shared herein is not exhaustive, we would encourage you to use it freely. We would also suggest you frequently revisit the question, "Is our I&D council fit for purpose and driving tangible, sustainable results for our business?" If not, perhaps it's time to make some shifts to assure your council is positioned to focus and deliver on a few clear, relevant outcomes.

Part II: For companies advanced in D&I

A key area to address is whether to actually set numeric goals. For years, there has been backlash in some companies by those who say specific targets and goals for increased diversity in employment is illegal and/or discriminatory.

Establishing realistic, achievable and relevant goals tied to accountability serves to drive change and results. There are very few business imperatives or business plans that do not have clear goals and deliverables tied to them. And probably fewer that if not met repeatedly, are allowed to continue their lack of progress without some repercussions.

Setting goals and objectives are best set when both aligned to business strategy and when considering facts and relevant data. Leverage data such as employee demographic, customer feedback and demographics, market segmentation opportunities, global growth opportunities, and engagement survey data to identify gaps and opportunities. Many organizations consider objectives aligned to four areas: organizational culture/employee engagement, talent and career advancement, market/commercial impact, and community impact.

Research has proven the quip “what gets measured, gets done”. In the McKinsey and LeanIn collaborative report “Women in the Workplace 2015” researchers found that companies with gender targets from 2012 to 2015 saw growth in female representation at entry levels, while those without formal targets lost ground. The report also found that the UK, a country that has set diversity targets for boards, has 22 percent of boards that reflect the demographic composition of the countries labor force and population compared to 9 percent in Brazil and 7 percent in the U.S.

The Bersin by Deloitte 2015 High Impact Talent Management research also found that companies that are inclusive have 2.3 times higher cash flow per employee over a three-year period, 1.8 times more likely to be change-ready and 1.7 times more likely to be innovation leaders in their market.

Since 2016, the added pressure of public perception is forcing companies to more proactively drive the process of making spheres normally dominated by men or white employees more diverse.

THE NEXT STEP FOR DIVERSITY COUNCILS

The best diversity councils successfully integrate their companies’ D&I programs with their operations, strategies, and missions and objectives. Moreover, they provide platforms for assessing the effectiveness of the D&I function, introducing reform, and overseeing the D&I function. They also demonstrate their companies’ commitment to D&I.

3 TIPS FOR ADVANCED D&I STRATEGY

- 1 Have diversity of experiences in your D&I staff—both the leader and the staff should have backgrounds not just in HR but also in legal and line functions of the business. The more they know the business, the better D&I aligns with business goals**
- 2 Set up regular interactions between types of diversity councils (and have your staff as the conduit) to ensure the objectives of the executive council are implemented by the other councils**
- 3 Have your staff (and yourself) involved in the board recruitment process and train recruiters to avoid bias in board recruitment**

*D & I Performance Index for 2017



	Strategic Drivers	Metrics	Owners	Index Score			
				Q1	Q2	Q3	Q4
Management	Build a sufficient pipeline of qualified female candidates for identified goal groups	The initial candidate pool presented for director and above positions will be 50% female	John Brown	100%	100%	100%	100%
	Build a sufficient pipeline of qualified ethnic diverse candidates for identified goal groups	The initial candidate pool presented for director and above positions will be 20% URM	John Brown	100%	100%	100%	100%
	Engage workforce to help understand the most effective factors affecting ethnic diversity and female retention	Enhance female and ethnic diversity retention to be 90% or greater in director level positions and above	Lynn Wright	100%	100%	100%	88%
	Establish Rush as the healthcare leader in fostering a welcoming environment for veterans and employees, faculty, students and patients with disabilities	100% achievement of action plans	Paula Johnson	100%	100%	100%	100%
University	Develop an external pipeline of diverse talent capable of moving into junior and senior faculty and leadership positions in Graduate, Health Sciences, Nursing and Medical Colleges	80% of faculty and leadership slates to contain 20% diversity	April Miller	91%	100%	100%	100%
	Shape and sustain a positive multicultural environment for all faculty and students at RUMC	100% achievement of action plans	Lee Ward	100%	100%	100%	83%
	Increase the availability of scholarships to URM students	Achieve funding levels of \$1.7 million for FY 2017	Susan Campbell	100%	100%	100%	100%
Average Index				98.7%	100%	100%	95.8%

*Used to determine performance for executive compensation purposes

An executive diversity council sets overall strategy (globally or domestically) and communicates the need for that strategy throughout the organization. At this point, your organization may be setting up other types of councils in addition to the executive diversity council:

ADVISORY OR REGIONAL COUNCILS

Designed to provide greater representation of the diversity of a company's workforce, advisory or regional councils are often larger than executive diversity councils. These councils implement the diversity strategy and policies established by the executive council. They are also responsible for advising company leadership on the company's diversity and inclusion needs and the progress of diversity initiatives throughout the organization.

EMPLOYEE-DRIVEN DIVERSITY ADVISORY GROUPS

Employee-driven groups may begin as local clubs, representing a broad range of affinity groups, such as Blacks, Latinos, or Asians, women, veterans, LGBT employees, or people with disabilities.

They may evolve into global networks, advancing the global needs of the business and their widespread constituencies. Councils consisting of these employees are often formed through the leadership of the various employee-resource groups, which is a great way to expose high potentials to senior leadership (having them present to the executive diversity council).

EXTERNAL DIVERSITY COUNCILS

A few companies have set up advisory external councils to help them understand the marketplace and what others are doing in this space. These council generally have members from non-profit groups, educational institutions and retired corporate and government leaders. They are usually strictly advisory.

BOARD OF DIRECTORS

Diversity in the composition of the Board of Directors (in terms of gender, race/ethnicity, religion, background, orientation and disability) leads to better governance with more potential for new ideas. For example, studies show that putting women on boards can be benefit shareholders. Several studies found that a critical mass of women on boards —but often somewhere around three women or 30% of the board — is positively correlated with performance measures like return on equity, cost of debt, or quality of earnings.

A board of directors has two primary roles: oversight and long-term value creation. In 2016, the Business Roundtable released updated governance guidelines that link a commitment to diversity to the successful accomplishment of both goals. Its 2016 guidelines include a statement on diversity that reads, in part, “Diverse backgrounds and experiences on corporate boards ... strengthen board performance and promote the creation of long-term shareholder value.” In a statement accompanying the guidelines, Business Roundtable leader John Hayes noted that a “diversity of thought and perspective ... adds to good decision-making” and enables “Americans, as well as American corporations, to prosper.” Board success and competence thus is recast to include diversity as an essential element rather than as an afterthought or as a concession to special interests. In order to promote diversity in board composition, boards should become familiar with director search approaches to identify qualified candidates that would not otherwise come to the attention of the nominating committee. Executive search firms, public databases, and inquiries to organizations such as 2020 Women on Boards are a few of the ways that boards can find candidates that may be beyond their typical field of view.

Conclusion

Whether you are just starting a D&I initiative or trying to expand your current effort, it is clear from the experiences of many companies that a successful structure includes buy-in and support from senior leadership and the board of directors, a variety of councils, starting with an executive council, and clear staffing responsibilities and communications with other internal departments. Following best practices and understanding successful trends in D&I management will enable your effort to have the most sustainable impact on your organization.

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CASE STUDY

Essilor Gets I&D Started the Right Way

Essilor of America, Inc. is the leading manufacturer of optical lenses in the United States. A pioneer in the development and production of ophthalmic lenses, Essilor employs more than 10,000 people throughout North America. Essilor of America, Inc. is a subsidiary of Paris-based Essilor International, a publicly held company traded on the Euronext Paris stock exchange.

Three years ago, Steve Cunningham, Essilor of America's Senior Vice President of Human Resources, was charged with formalizing the company's inclusion and diversity (I&D) function. He knew he wanted to hire an I&D practitioner who could develop practices and programs as well as execute them. This goal was achieved with the hiring of LaShanda Reed-Larry as Director of Inclusion, Diversity and Affirmative Action Compliance. Cunningham was and continues to be Reed-Larry's biggest champion and partner. Within 90 days of hiring her, he ensured that she met with executive committee members and attended global meetings with regional executives. In these meetings, Reed-Larry found that Essilor leaders were committed to I&D, and now that someone was in place to focus solely on these areas, inclusion and diversity were on the agenda.

For Reed-Larry, the first step was assessing where the company was in terms of I&D. Over the next six months, she collected company data by visiting optical labs, meeting with customers, and engaging key stake-

holders to gain valuable insights into the corporate culture. By year-end, she had gathered enough information to create a baseline and put a two-year plan in place. The top priorities were to expand the definition of diversity, establish baseline metrics, and create an inclusion mindset that was more holistic.

Securing Leadership Commitment

Getting leadership buy-in was a critical part of executing Reed-Larry's plan. She started by setting up a Diversity Steering Committee (IDEA) made up of 10 directors and vice presidents. She brought unconscious bias training to the steering committee and then to the executive committee. These company leaders pledged to train their teams as well, committing time, resources and budget to bring Reed-Larry's holistic vision of inclusion and diversity to life.

At the end of the first year, emphasizing the importance of branding and language, the steering committee decided to change all of its references from "diversity" to "inclusion and diversity," marking a key accomplishment. "You can have a diverse organization and not be inclusive," Reed-Larry explains. "Inclusion focuses on making the mix work. It means employees feel connected, respected and valued. We believe employees who are fully engaged are more likely to contribute at their maximum potential."

YEAR 1 (2015)

Develop short-term strategy, socialize I&D, and gain leadership buy-in

- Expand definition of Diversity beyond gender.
- Create a baseline. Analyze internal data compared to external benchmarks.
- Communicate. Partner closely with Corporate Communications.
- Get a seat at the table: HR Leadership Team member, Employer Brand Advisory Team, Talent Acquisition Advisor.
- Understand current systems, e.g. Talent Management Process.
- Deploy. Get to know Essilor at the grassroots level to the very top of the organization.
- Visit labs to see firsthand design, R&D, and manufacturing.
- Engage employees who manufacture our products and serve our customers.
- Hold meeting with corporate leaders.
- Attend global meetings with executives to gain additional perspective.
- Present short-term plan. Share metrics with executive leadership team.
- Expand influence and resources; charter a steering committee and secure sponsorship.
- Influence top-level strategy and incorporate "Inclusion" into the company's core values.
- Inclusion and Diversity are now on the agenda.

Building a More Diverse Workforce

Another essential part of Essilor of America's inclusion and diversity journey was to increase diversity in the company's workforce. Reed-Larry researched comparable U.S. companies with 10,000 employees and recommended demographic targets for women and people of color. She told company leaders, "You cannot be afraid of targets. A target is not a quota. We are going to be very intentional in our efforts to reach persons in these demographics. If we hit these targets, great."

Reed-Larry also emphasized the benefits of diversity metrics and relationships with multicultural organizations to improve recruitment. A few months into her tenure, members of the IDEA Steering Committee went to three diversity conferences – National Black MBA, Prospanica, and National Sales Network. They didn't go it alone. The steering committee enlisted the support of business leaders to provide funding for the conferences and speak on panels. Reed-Larry focused on three objectives: 1) expose leaders to diverse talent, 2) tell Essilor's story, and 3) recruit talent. Today, Reed-Larry says, "Essilor's CEO Hubert Sagnières, COO John Carrier and U.S. President Eric Leonard are challenging us to hit targets."

Expanding Efforts Companywide

Essilor's efforts also include business resource groups. Many companies in the early stages of I&D either don't have business resource groups or have very small ones.

When Reed-Larry started, Essilor of America had a women's network, formed at the grassroots level and led by executive women interested in creating development opportunities for other aspirational women. Now there is a women's group, a multicultural group and a veteran's group, with more to come. "We're very intentional in how we start these groups; we emphasize quality, not quantity," she says. "Our business resource groups align with the focus we have today – gender equity, multicultural diversity and supporting veterans – and we will add groups as necessary to meet the needs of our employees."

Essilor has bold plans for expanding inclusion and diversity, including: training for more employees; increasing I&D's contribution to engagement; creating a mentoring program to fast-track people of color and women with high potential; and helping the organization identify for consideration experienced people of color for positions at the executive level. Most importantly, I&D is viewed as an enabler to help the organization fulfill its mission of improving lives by improving sight.

As Reed-Larry explains, "We are still in the early stages of our journey, yet we are moving at an accelerated pace to be competitive in the market. We believe I&D work is a shared responsibility and that every employee has a role to play. Our goal is to leverage the organization's differences to help strengthen our I&D function as well as our competitive position."

YEAR 2 (2016)

Infrastructure and Branding

- IDEA Steering Committee: bring together leaders, form concepts, capture the spirit of Essilor, and prepare for a journey together.
- Introduce thought leaders, compelling topics and core competencies to the steering committee to build capability.
- Identify key priorities and objectives for the steering committee.
- Expose leaders to diverse audiences and put them on program.

- Promote Essilor brand and create a presence in different spaces.
- Diversity conferences with strong pipeline opportunities.
- Create strategic partnerships, i.e. 3Q 2016 DBP member conference.
- Speak at engagements internally and externally.

YEAR 3 (2017)

Focus on solutions that will move the dial

- Formalize Essilor I&D maturity model; long-term strategy.

- Expand strategy to include targeted efforts for talent management integration.
- Continue to build capability.
- First-line and middle manager engagement and awareness.
- Envision Inclusion e-course in collaboration with the Center for Creative Leadership.
- Practicing Intentional Inclusion workshop for ECOM and teams.

CASE STUDY

P&G's Global Diversity Goals Set and Communicate Priorities

STEPS TO SUCCESS

- ❶ Ensure there is representation from all functions in your council
- ❷ Have an agenda that includes annual targets and checkpoints to see how they are being met
- ❸ Clearly communicate the council's goals, progress and plans)

How does a huge corporation like Procter & Gamble (P&G), with 95,000 employees and operations in about 70 countries, get its diversity and inclusion messaging heard and acted upon? It starts very clearly with the Global Diversity Council.

The council is chaired by CEO David S. Taylor and led by William Gipson, President, End-to-End Packaging Transformation and Chief Diversity & Inclusion Officer. Gipson's role, he notes, is very important because at P&G, the Chief Diversity Officer is a functioning line executive. "We have chosen (the last two) CDOs that are not from HR. I have other responsibilities and bring a level of credibility that allows us to test ideas. It adds weight to the position and, in my case, brings ideas of experimentation that lets us see if things work."

The 26-member council consists of each of the function heads, executive sponsors of employee resource (affinity) groups and HR practice experts within the functions. The addition of the function heads has been recent and is important, Gipson says, "because they are the ones that source, develop and advance the talent." The creation of the HR practices happened about nine years ago "and it is important to bring that skillset to we focus on what is actually executed."

The council meets quarterly, mostly in person but some members dial in. The agenda is established by Gipson's office and includes annual targets. "At P&G, everything is based on target projections and business targets and D&I targets are set the same way," he says.

This year, for example, a big focus is on advancement of women globally. "We have really done a great job at retaining and recruiting women but advancing them to the senior levels of the organization has not occurred as quickly."

Another focus this year in the United States is with employees of African ancestry. "We want to drive more consistency in retaining, developing and advancing them," he says.

The council has six other focus areas – Hispanic, Asian Pacific, people with disabilities, American Indians, LGBT and U.S. veterans but for this year, the big emphasis is on global women and employees of African ancestry.

The council sets organizational goals, usually for 18 months. "We are really clear and transparent," he says and cites the organization's recent Staff to Win initiative, which emphasizes hiring more mid-career professionals from outside the organization and less shifting of talent between brands. The program's stated objective is to "build a pipeline of outstanding diverse talent that delivers outstanding business results." Goals have been set to be accomplished by 2020.

So how does P&G get its D&I messaging out across the company? There are quarterly webcasts to all employees and D&I and cultural change is one of the big callouts. It is in the company's annual Citizenship Report, D&I is featured prominently. There is an annual D&I awards event and an annual D&I newsletter as well. And executives throughout the company have local town hall meetings and discuss culture and D&I related issues. The company's annual survey allows employees to comment on how they feel about cultural and "diversity and inclusion are front and center," says Gipson who notes that we have "lots of touch points through the year."

Gipson is eager to share what P&G has learned with other corporations. "People leading this work should be humble in terms of openness and willingness to learn from others. Corporations shouldn't be in competition with each other. This has a higher order."

Texas Instruments: ERGs Guide Diversity Council

STEPS TO SUCCESS

- ❶ Find concrete, business-related ways for senior management to participate (as exec sponsors of ERGs in this case)
- ❷ Use leadership of ERGs as mechanism to develop high-potential talent (as council members in this case)
- ❸ Ensure diversity councils at all levels have focused topics and goals (involving middle management, talent pipeline)

Texas Instruments (TI) has taken the concept of employee resource group (ERG) involvement to a new level—the company’s two diversity councils include leaders of all 15 of these groups.

TI has two councils – an Executive Council, with 20 members including 14 corporate officers, which meets twice a year. The executive sponsors of the ERGs all are members of this council. Members of the diversity and communications team also participate in the Executive Council. The Diversity Network Council has 40 members, including chairs and co-chairs of the ERGs, and meets quarterly.

The Executive Council, which is new, provides direction and strategy, aligned with business goals, says Fran Dillard, Diversity & Inclusion Director. The Diversity Network Council, which has been around for at least 15 years, puts together a set of priorities for ERG activities, such as joint speakers and leadership development. They help implement the strategies set by the Executive Council.

The 15 ERGs, each of which has an assigned executive and HR sponsor, are advanced as well. Besides the usual groups for Blacks, Hispanics, Asians, women, veterans, people with disabilities and LGBT people, TI has groups for new employees, Muslims, Jews, Christians, Indians, Bangladeshi, Vietnamese and Korean employees.

Membership on the Diversity Network Council is a great way to grow leaders – “They get visibility. They get comfortable in presenting in front of executive leadership,” Dillard says.

The collaborative nature of the Diversity Network Council enables these potential leaders to learn to work together across many differences. For example, last year they brought in thought leaders for TI Talks (modeled after Ted Talks) to discuss issues such as generational differences, working across gender differences and unconscious bias.

“It is intentional that we work together. When you look at our overall priorities, instilling a collaborative work environment is essential,” she says.

The formation of the Executive Council was designed to leverage the power of the executive sponsors. “We wanted to know how we could get the most out of having these leaders engaged and having them learn from each other,” she says.

Their first meeting was focused on engaging middle management in D&I efforts and ensuring talent development is a priority.

“We are getting people around this space at different levels. It is working,” she says.

DRIVING THE NUMBERS: *Diversity Demographics*

For decades, diversity and inclusion initiatives were considered “soft, feel good” initiatives that were “the right thing to do” but didn’t necessarily have an impact on business.

That changed dramatically in recent years as D&I’s ability to increase the quality of new hires and management and leadership, as well as contribute directly to increased market share, has been demonstrated.

The changing demographics within the United States have been documented over recent years with the growing Hispanic and Asian populations noted many times. Recent research from the Pew Research Center shows that Millennials are the largest generation ever, immigrants are driving workforce growth in the United States (without immigrants there would be 18 million fewer working adults by 2035), women’s pay gaps are narrowing, especially among women ages 25-34.

All of these demographic factors contribute to the increasing importance of D&I to corporate strategies—to reach the best talent in an increasingly competitive global arena, to find innovative suppliers who relate to the community, and to directly understand and market to increasingly diverse customers and clients.

The ability to successfully measure D&I’s contribution to business has evolved significantly in recent years. A decade ago—even five years ago—many companies were just beginning to apply rigorous discipline to their people programs, including their D&I initiatives. This was especially true when it came to measurement, and the void was compounded by how unsure organizations were of how to properly assess D&I results.

Insights from the 2017 DBP Inclusion Index

PROGRESS REPORT

CEO requires diversity executive to report on metrics



CEO reports D&I metrics to board



IN THIS CHAPTER**For companies new to or in early stages of D&I**

- Why should your organization measure the impact of D&I?
- How do you establish effective D&I metrics
- How do you present that information effectively to senior leadership?
- How do you address concerns over “legal prohibitions” on developing and sharing metrics?

For companies advanced in their D&I work

- Why is transparency more essential than representation?
- How do D&I metrics help you attract talent?
- How do you measure D&I's impact on business performance—employee engagement, supplier diversity, community involvement, brand reputation
- What are the most useful Scorecards/Dashboards?

Today, companies are preparing detailed D&I scorecards with relevant metrics for their senior leaders to assess and often linking executive compensation to results. Their metrics on human capital have evolved substantially and they increasingly add metrics on procurement, community involvement, and marketplace impact.

Part I: For companies new to or in early stages of D&I

To understand why business metrics should be applied to your D&I initiatives, consider the old adage that what gets measured gets done. Measurement has value in several general situations:

- When an organization wants to prioritize and manage its human-capital initiatives to better define success by objectively assessing the impact of the initiatives and quantifying the impact to secure support from top leadership
- When an organization needs to understand the relative costs and benefits of a variety of interventions, such as development or formal sponsorship or employee-resource groups
- When an organization recognizes there are significant costs of inaction – such as lawsuits or loss of talent

For D&I specifically, it is essential to determine if these efforts are sustaining business growth. Are they maximizing the return on an organization's investment and contributing to future growth? Are they improving the productivity, efficiency and innovation of the workforce? Are they contributing to growth in market share? What does D&I have to do with achieving the critical successes that will lead to the organization's overall success?

In the beginning, as you gather your D&I metrics, you first need to assess what data you already have and use that as a baseline. Then you can address what additional data you need to collect. Think big picture, such as what needs to happen with respect to D&I so that the organization's overarching critical success factors are achieved. What tactics move you from where you are now to where you need to be? What will the data tell you if the required changes are happening, including behavior changes? What data will tell you if the changes are having the intended impact?

Sometimes people within a company raise the issue that gathering diversity-related data is a legal concern. This is generally untrue and transparency is crucial to advancing business goals by understanding D&I metrics. Says Donald Fan, Senior Director, Global Office of Diversity, Walmart Stores, Inc.: “To sustain D&I progress, accountability and transparency are two critical success factors among others. Both go hand in hand. Without data transparency, we won't be able to hold people accountable for driving and leading D&I success.”

FIRST STEPS

- Common baseline metrics include new hires, workforce, management, executive and board of director representation by race/ethnicity and gender.
- Companies also start assessing engagement at this stage and begin the process of evaluating whether a robust D&I initiative leads to increased engagement and retention.
- They also begin to assess the effectiveness of learning and development efforts, determining which specific initiatives do the best job of effective sustainable behavior change and building capability in areas aligned with the organization's long-term direction
- Metrics often include ensuring that all employees have access to job assignments and advancement opportunities that require them to use the capabilities they develop.
- Legal compliance is also often part of the early-stage metrics, ensuring the organization is meeting standards established in Affirmative Action Plans, Equal Employment Opportunity guidelines and supplier-diversity guidelines.

Part II: For companies advanced in their D&I work

In the early days of D&I initiatives, the only metrics were representation goals, often based on compliance requirements. Compliance goals, however, were rarely defined in terms aligned with an organization's business goals and today companies successful in the D&I space want to use metrics that are directly relevant to their bottom lines.

The key to setting and assessing representational goals is transparency and relevancy to the company's workforce, footprint and marketplace. For example, Accenture in June 2017 announced plans to achieve a gender-balanced workforce, with 50 percent women and 50 percent men, by 2025. In making the announcement, Chairman and CEO Pierre Nanterme said: "Diversity makes our business stronger and more innovative and, most important, it makes the world a better place. With this new goal, we are sending an important message to our people and our clients confirming our commitment to a gender-based workforce."

The most critical aspect of this is how transparent the company is being. The company said it now has 150,000 women, nearly 40 percent of its global workforce. And it set specific goals and announced a strategic game plan to reach its pledge.

At Walmart, "transparency is so important. We are a metrics-driven company and measurement holds people accountable. It is part of our belief that you should be transparent with internal associates but also make sure that you share what you know with the external world, across industries," says Fan.

3 TIPS FOR EARLY STAGE D&I METRICS

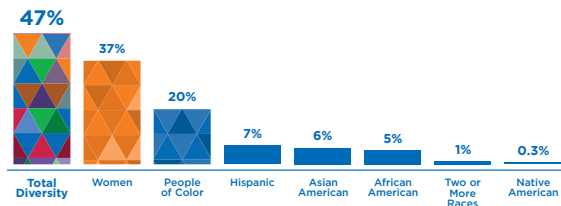
- 1 Assess what data you have that can be used (i.e. historic info on talent pipeline, velocity of progress by race and gender)
- 2 Create a plan of what metrics will be needed over next 1-3 years
- 3 Educate senior leaders on relevance of diversity-focused data and how to capture and measure to establish baselines

Snapshot from Comcast NBC Universal's 2017 Diversity Report

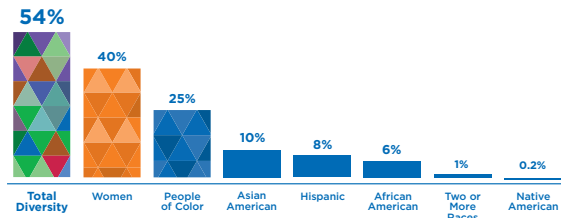
Our Leadership at a Glance (YE 2016)

We continue to connect diverse leaders with opportunities that positively impact our teams and culture at Comcast NBCUniversal. Each year, we measure and report on the diversity of our leadership at the Vice President level and above, the Director level, and the Manager level, to ensure we continue to increase the representation of women and people of color across the company.

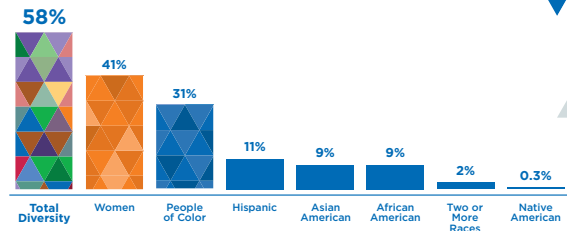
VICE PRESIDENT LEVEL & ABOVE



DIRECTOR LEVEL



MANAGER LEVEL



Growing Our Diverse Leaders (YE 2010 - YE 2016)

We recognize the importance of developing diverse leaders who will help move our company forward, and we have made meaningful progress since starting our formal Diversity & Inclusion program in 2011.

Over the past six years, we have seen significant growth in the number of diverse leaders at every level.



Employee Resource Groups

In 2016, we saw employees across our footprint connecting with each other through the expansion of our Employee Resource Groups. With 24 new chapters launched last year, more employees have been able to come together to learn, lead, give back, and positively impact our business.

More than
20,000
ERG Members

Total of
118
ERG Chapters

Chapters Increased Nearly
300%
since 2012



Source: Comcast NBC Universal

For example, although Walmart is not a government contractor and thus not accountable to publish its EEO¹ data, the retail giant has been voluntarily publishing that data in its D&I report for the past 10 years.

Fan believes transparency helps the company attract more talent. “Especially with Millennials, they want a company that is a good socially responsible citizen. They want to know if we truly offer equal opportunity, especially for women and people of color.

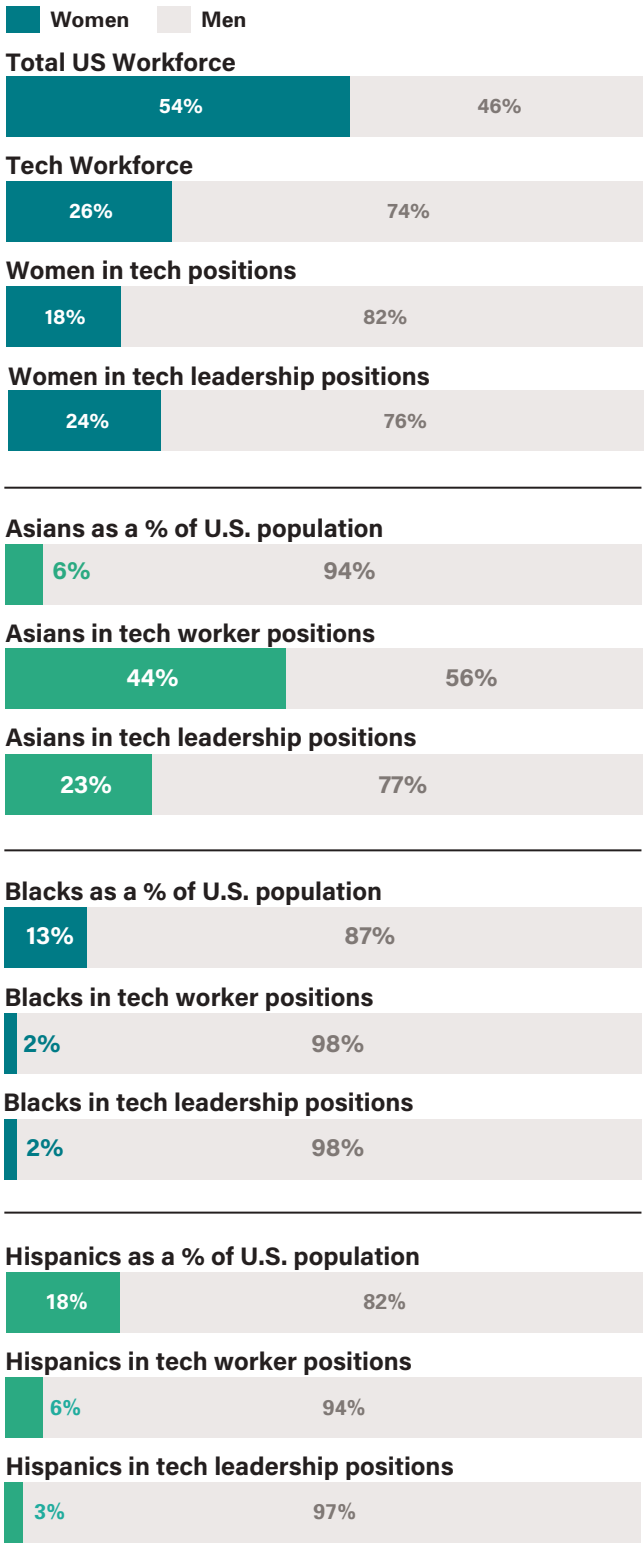
At Comcast, the company is completely transparent about its progress in diversity of the workforce, procurement, programming, community investment and governance. That includes an annual D&I report that shows diversity at every level – Board of Directors, vice president and above, director, manager and includes year-to-year metrics on such areas as employee-resource group participation, supplier diversity spend, and its Ventures Catalyst Fund, which connects members of minority groups with capital funds. Comcast also discloses information about its online, TV and film programming for diverse audiences and the talent behind and in front of the cameras.

The needs for transparency in D&I metrics is crossing many industries. The technology industry, under fire for lack of female, Black and Latino representation, as well as people with disabilities and older workers, has become increasingly transparent about its numbers—gaps and all.

In terms of relevancy, when looking at any information, especially demographic, consider how you are defining people, both in terms of under-represented status and in terms of job function. Most companies now use standard U.S. Census Bureau definitions of race/ethnicity, as does Diversity Best Practices’ Inclusion Index. Those are white, black, Latino/Latina, Asian, Native Hawaiian or Pacific Islander, and two or more races. Also consider whether you want to include groups that self ID – LGBTQ people, people with disabilities and veterans. This may depend on how inclusive your corporate culture is for these groups and how comfortable people are about self-identifying.

When examining job functions, make it as simple as you can and use the same standards throughout. For example, Diversity Best Practices’ Inclusion Index defines corporate executives as “the highest tier of employees by job level, pay grade and/or responsibilities.”

Disparities in the Tech Workforce, 2015²



Source: Aggregated data reported by nine of the major tech companies in 2015, (LinkedIn, eBay, Apple, Yahoo!, Facebook, Google, Twitter, Intel and Microsoft)

3 TIPS

FOR ADVANCED D&I METRICS

- 1 Expand transparency in all D&I related activities, including those with customer/client focus
- 2 Enhance Scorecards with direct business relevance
- 3 Link compensation of senior executives to scorecard results

In creating a Scorecard or Dashboard of D&I metrics, companies increasingly are keeping two things in mind – keep the data clear and understandable, so senior leaders “get the picture” and understand progress and challenges quickly – and, most importantly, show data that is directly relevant to the business.

At Walmart, for example, D&I scorecards are designed with specific KPIs (Key Performance Indicators) relevant to the core business. Those include, women and people of color by representation, by promotion, by voluntary termination, as well as specific progress on D&I related initiatives, such as mentoring (more than 77,000 managers are required to mentor at least two associates each who are not direct reports and have different backgrounds than the manager), attendance of managers in inclusion education (training this year focused on unconscious bias), and an “inclusion index” of the full associate base assessing such topics as sense of belonging and fairness (part of the annual associate engagement survey, which has participation rate of 90 percent).

Other factors increasingly measured are:

- Best practices, such as participation by demographics in formal mentoring and sponsorship
- Inclusion and results of succession planning
- Attendance at D&I events, both internal and external
- Ability for D&I partners, such as employee resource groups, to present to and impact client/customer relationships
- Metrics around employee resource groups are becoming more common and sophisticated, going beyond mere participation numbers. At Cap Gemini, for example, each ERG does its own self-assessment based on goals and its maturity. Goals can include such factors as helping with career development and contributing to the community

It is also important to examine supplier-diversity metrics. In the United States, the most common measurement of supplier-diversity progress has been the amount of money spent with diverse suppliers year over year. This is an important metric for all corporations to know, but it is not the only metric for assessing value to a business for a few key reasons. First, larger organizations have more money to spend on their value chain, so their spending amounts will necessarily be larger, especially companies in retail compared to companies in services. Second, companies often count the number of their diverse suppliers, but this is also a tenuous metric if it does not account for the size or value of the contracts awarded to each supplier.

In the U.S., more sophisticated metrics have evolved, including assessing satisfaction with diverse suppliers, tracking market share by demographic and evaluating potential revenue impacts from diverse suppliers.²

Conclusion:

The increasing relevance of D&I metrics to the value of the business cannot be overstated. The emphasis more CEOs and boards of directors place on these metrics demonstrates that they believe understanding what triggers the best hiring, retention, advancement, procurement, and community relationships will lead to sustainable business growth. The need to be transparent, as demonstrated by companies like Walmart, Accenture and Comcast, comes from the top and gives increasing value to the metrics and the goals they represent.

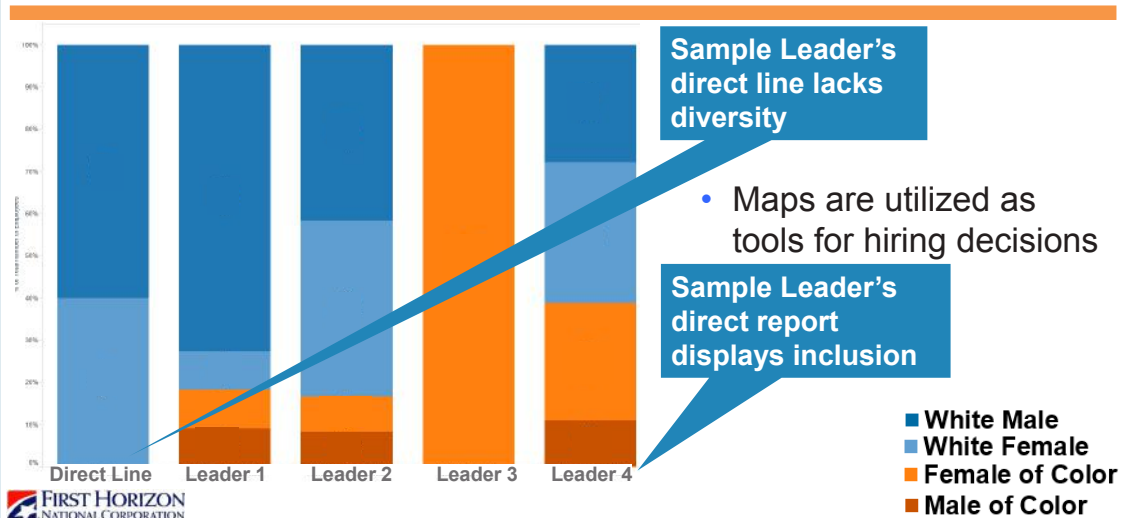
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Sample Metrics

First Tennessee Bank grounds their D&I strategy in data and has been able to drive change because of their willingness to “go deep” into the data and look at it through multiple lenses. Below are some examples of the ways in which they slice their data to pinpoint the areas of opportunity and build a strategy to address them.

De-averaging Allows for a More Focused View

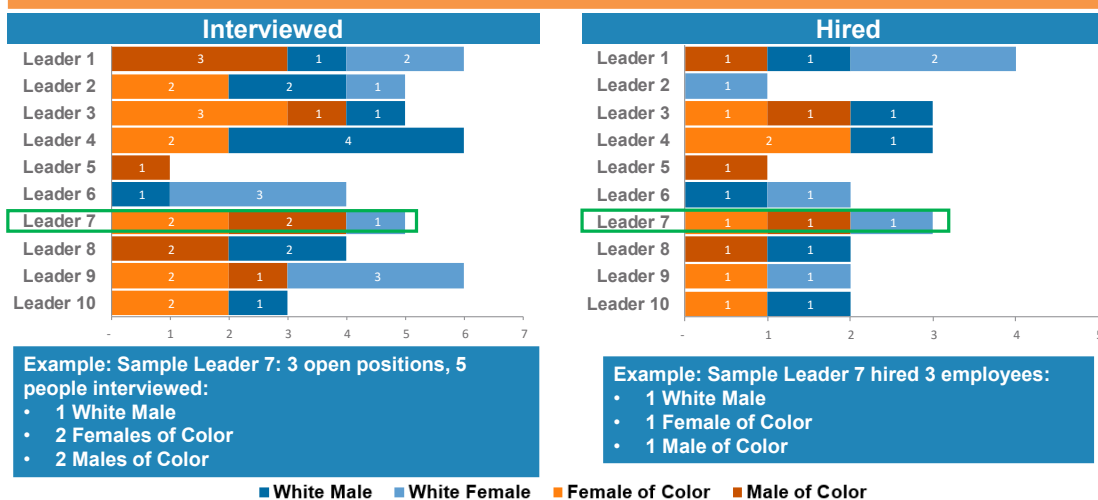


Diversity Best Practices



Follow @DBP_News at the #DBPMC + join the game-changing diversity and inclusion conversation!

The Rooney Rule

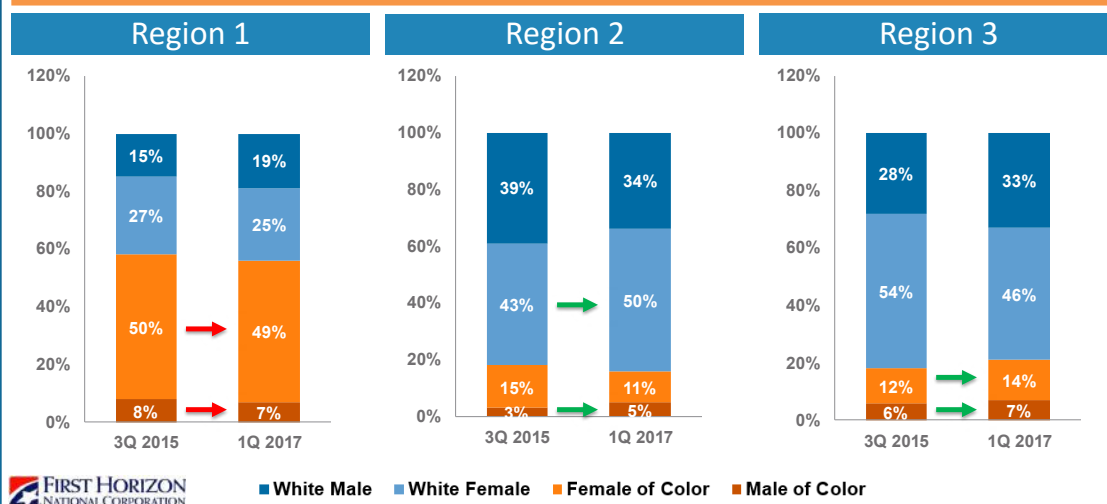


Diversity Best Practices



Follow @DBP_News at the #DBPMC + join the game-changing diversity and inclusion conversation!

Data Trends Reveal Decision Impacts



FIRST HORIZON
NATIONAL CORPORATION

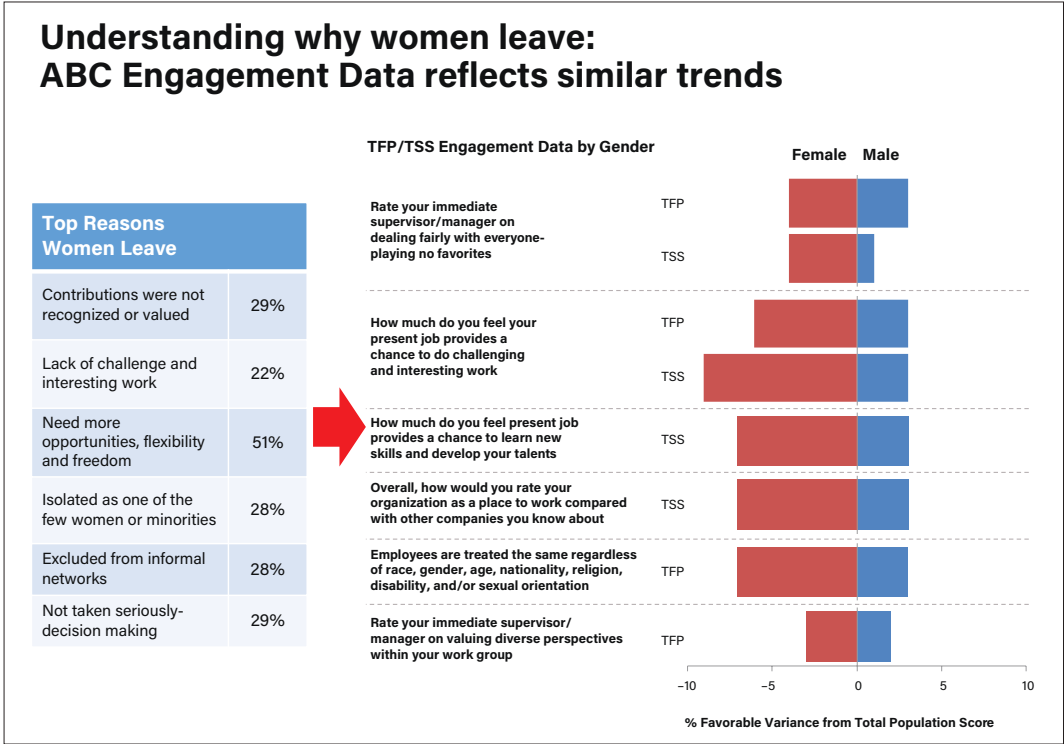
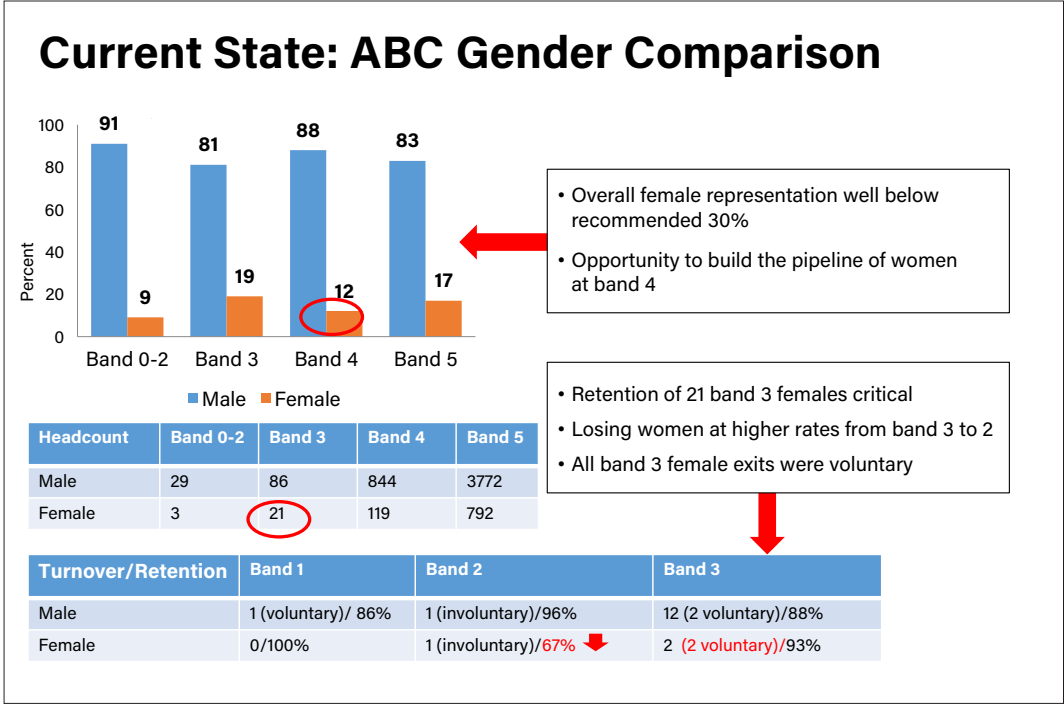
Diversity Best Practices



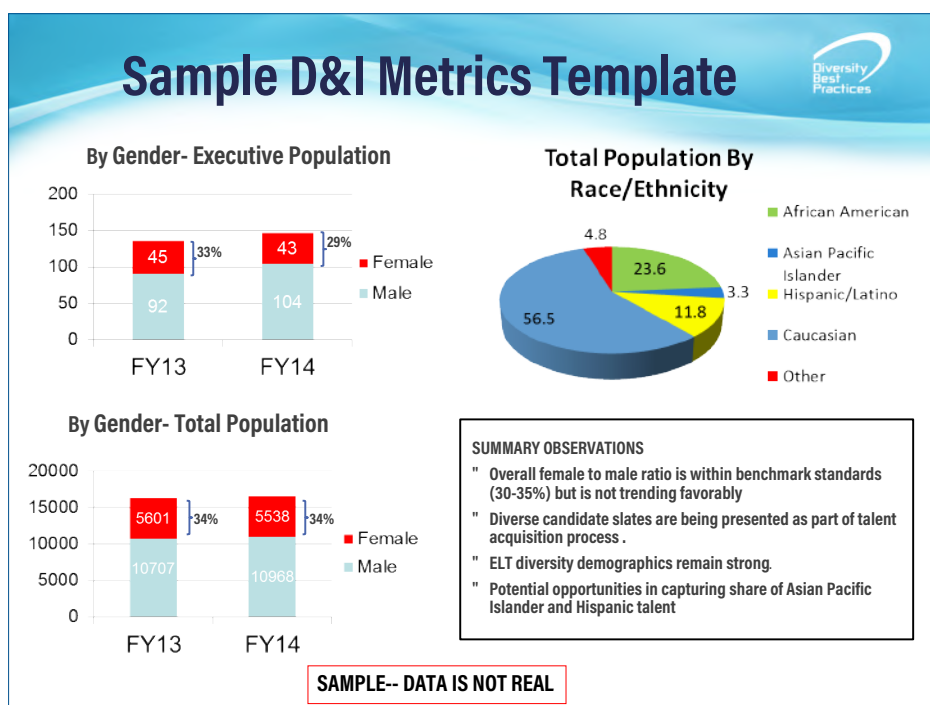
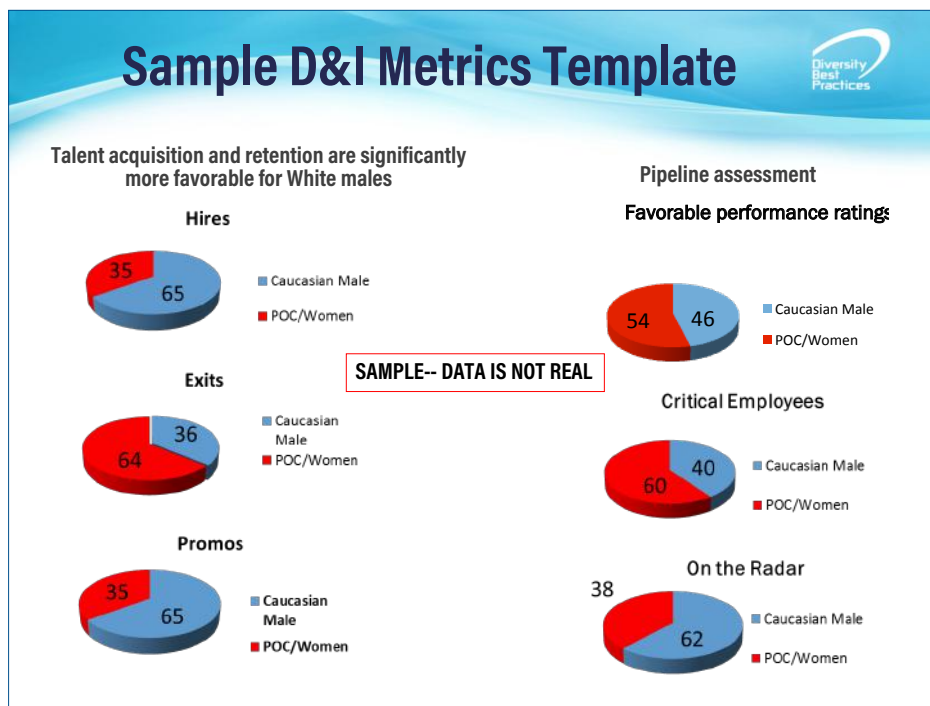
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Sample Metrics

This sample data looks at female headcount and retention data alongside engagement survey results, aggregated by female employee responses, to provide a robust picture from which to identify challenges but, more importantly, to discover the opportunities to address them.



Organizations should slice their data in as many ways as they can in order to hone in on the opportunities for growth at all levels of the organization and throughout the talent lifecycle.



CASE STUDY

Walmart's D&I Metrics Essential to Business

STEPS TO SUCCESS

- 1 Link D&I metrics directly to business goals, for example filling talent gaps
- 2 Ensure metrics are related to each other and are frequently re-assessed
- 3 Hold line leaders responsible for D&I metrics

Walmart Stores, Inc. is very focused on metrics—and that certainly holds true when it comes to diversity and inclusion, says Donald Fan, Senior Director in the Global Office of Diversity.

“Measurement holds people accountable. It’s about asking the right question and pivoting efforts on the right challenge. That’s the key component to drive success. It is part of our belief that metrics and transparency help us frame the conversation and inspire people to own and lead diversity and inclusion efforts. We share our findings internally and externally,” he says.

That transparency goes far beyond compliance. For example, although Walmart is not a government contractor and, therefore, not required to publish its EEO-1 data, the company has been publishing it annually in its D&I report for 10 years. That includes breaking down different job categories by gender/race/ethnicity.

This transparency helps the company attract more talent, Fan says. “Especially with Millennials, they look for employers of choice on several criteria, including looking for leaders in the D&I space. They ask if companies are good socially responsible citizens and if they truly offer equal opportunities, especially for women and people of color.”

For D&I, the metrics used in their Scorecard (see illustration), are those most relevant to the core parts of the business. All of the metrics are related to each other and are frequently assessed to ensure their continued relevancy. More detailed metrics are uncovered in a D&I Dashboard, offering an in-depth view

Walmart's Index questions:

CULTURE

- 1. Our value “Strive for Excellence” is consistently practiced by associates in my facility or department
- 2. Our value “Service to our Customers” is consistently practiced by associates in my facility or department
- 3. Our value “Act with Integrity” is consistently practiced by associates in my facility or department
- 4. Our value “Respect for the Individual” is consistently practiced by associates in my facility or department

INCLUSION

- 1. Walmart is committed to providing equal opportunities for all associates
- 2. Walmart provides an environment for free and open expression of ideas, opinions, and beliefs
- 3. I feel that I am a part of a team
- 4. I feel free to be myself at Walmart

Measure <
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of talent mobility statistics, including new hires, promotions, demotions, lateral moves, voluntary terminations, involuntary terminations and retention rate, broken down by levels and historic periods. These are all factored by gender, race and ethnicity.

On the inclusion side, the metrics assess the value and usage of best practice. The D&I program requires more than 77,000 managers to mentor at least two mentees who are not their direct report and attend inclusion education, which this year focuses on unconscious bias. The third aspect of the Scorecard metrics is the company's Inclusion Index, four questions which go to the full associate base of 1.5 million employees in the United States and 2.5 million globally. The questions look at such factors as equal opportunity for all, open expression of ideas, being part of a team and being free to be oneself. The company also looks at these factors, as well as its fourth factor, its Culture Index, in its annual engagement survey, which has a participation rate of above 90%.

Walmart holds its business leaders accountable for its D&I results, which are evaluated at quarterly meetings attended by direct reports to the CEO and HR leads supporting each business unit. "We share with them what the landscape looks like and what's the insights – what does the data tell us. We talk about the action plan and how they are going to address what the data shows us. If you don't engage the leadership teams on board, you can't make a huge cultural difference," Fan says.

What's most critical to success, he adds, is CEO and board commitment. "We've tied our D&I goals and program results to management compensation bonuses. It's also tied to annual performance evaluations. We report the D&I progress to boardroom regularly throughout the year. Whenever a decision is made, D&I becomes top of mind, not an afterthought," he says.

CASE STUDY

Comcast NBCUniversal Delivers Transparent Metrics In Every Area, Including Programming

STEPS TO SUCCESS

- ❶ **Showcase your results in a regularly scheduled and easy to use document**
- ❷ **Don't be afraid to look at new areas of D&I-related metrics that are relevant to your business, such as online programming for Comcast NBCUniversal**
- ❸ **Include aspirational goals and be open about progress toward them and reasons behind that progress**

Many companies rely extensively on metrics to assess their business goals and determine new strategies. In the Diversity and Inclusion (D&I) area, Comcast NBCUniversal has taken metrics to a new level of transparency, both in terms of its workforce and supplier diversity assessments, and in looking at the marketplace.

Notes Maria Arias, Vice President, Corporate Diversity & Inclusion, "The commitment to detailed metrics began when the D&I initiative ramped up with the acquisition of NBCUniversal, which closed in 2011." Senior Executive Vice President David L. Cohen became the enterprise-wide Chief Diversity Officer, and "the company made a very public commitment to D&I."

Initial metrics were modeled after those used by HACR (Hispanic Association on Corporate Responsibility), and covered traditional areas, such as representation in the workforce, supplier diversity, and community investment. "But to truly demonstrate our commitment, we wanted to measure our progress in the heart of our business: programming. We wanted to create a culture of inclusion, and become the model for D&I in corporate America," Arias says.

Starting in 2012, Comcast NBCUniversal created an annual online D&I Report that included substantial content, including information on multicultural programming and on-air talent.

Today, the company focuses its D&I efforts on Workforce, Procurement, Programming, Accessibility, Community Investment and Governance. The 2017 D&I Report is a model of transparency, including:

- The company has made progress on its aspirational goal of 33% people of color and 50% women across its workforce. In 2016, people of color were 53% of new hires, and women were 39% of new hires.
- Diversity is shown at every level – vice president and above, director, manager. Over the past six years, the company has seen a 43% growth in the number of diverse leaders at the vice-president level, 63% at the director level and 58% at the manager level.
- Employee Resource Group participation is highlighted—more than 20,000 members in 118 chapters, with 24 new chapters launched in 2016.

- Supplier diversity metrics are equally transparent—the company shares how much has been spent with Tier I diverse suppliers since 2011 (more than \$11 billion) and how much was spent in 2016 (\$3.2 billion). They also showcase spend with Tier II (subcontractors) who are diverse (more than \$1.3 billion since 2012, and \$455 million in 2016).
- The company discloses information about its \$20 million Comcast Ventures Catalyst Fund, which provides capital investments to minority- and women-owned startups.
- For programming, Comcast reports the total hours of diverse content available through its On Demand and online platforms (more than 16,000), as well as the number of networks it carries that target underrepresented groups (more than 100). NBCUniversal programming is reported separately and includes a breakdown by gender and race/ethnicity of on-air and behind-the-camera talent. Comcast NBCUniversal also reports the success of its films starring diverse talent, and targeting diverse audiences.
- The company is also transparent about its philanthropy to organizations led by, and serving, diverse communities, including efforts to bolster internet usage in low-income communities. In August 2017, the company announced a milestone of providing 4 million low-income Americans with internet access through its Internet Essentials program.

“Our commitment to diversity is not just the right thing to do, it’s also the right thing for our company. The world is different than it was 25 years ago. We will soon be a minority-majority population in the U.S., and the multiculturalism of Millennials has changed everything. We benefit greatly from the innovative and unique perspectives of our diverse employees, suppliers, and programs,” Arias says.

She highlights the increased emphasis on online demographics and in looking at programming and casting on television and in films. “When you look at areas like films for NBCUniversal, the release of ‘Girls Trip,’ which was the first film produced, written and starring African-Americans to break the \$100 million box office mark, and other films like ‘The Best Man Holiday,’ which had great success in the African-American and general markets, these are smart business decisions. After African-American anchor Lester Holt took over ‘NBC Nightly News,’ it became the most-watched evening news program among 25-54 year olds. That’s just smart business.”

She also cites increased focus on accessibility initiatives for the disability community with devices such as the X1 Voice Remote and X1 Talking Guide. Comcast NBCUniversal’s diversity efforts extend to the LGBTQ and military communities as well.

“The success of our program is that we built the foundation. Then, we took a step back and we’ve partnered with the business to see what works. We share best practices and seek advice from our internal and external councils, and from partner organizations. And most importantly, we share the lessons learned,” she adds.

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CASE STUDY

Accenture: Setting Public Goals and Driving Programs to Increase Workforce Diversity

STEPS TO SUCCESS

- ❶ **Ensure your top leadership is accountable and communicates the value of transparency**
- ❷ **Set ambitious but realistic goals—and be very clear about how well and why you are or are not reaching them**
- ❸ **Launch and sustain structured programs that report tangible results. For example, diversity referral programs, pay equality processes, tracked sponsorship and promotion initiatives for diverse employees, etc.**

Accenture, a leading global professional services company with more than 425,000 people worldwide, has made a very public decision to set inclusion and diversity goals – and be transparent about reaching them. In an interview with Forbes Magazine, the company's North America CEO, Julie Sweet, explains why:

“For me as a leader, transparency around diversity and inclusion is critical. A year ago, I made the decision to be transparent about our workforce demographics. We released them publicly and said we are not where we need to be. Owning where we are is critical to our credibility among our people and those we want to recruit. It says we are serious.”

This transparency is not just about numbers—it is talking directly about where we are. When I announced a new leadership team last December, it was made up of equal numbers of men and women-- which was to be celebrated--but only two people of color. I hit head-on that we have more work to do to achieve the diversity in leadership we believe is critical to our business. I personally picked my leadership team, and when I say it is not as diverse as we need it to be, it is a statement about my own personal commitment to change. When I talk about transparency, I mean sharing the numbers but also owning personal decisions. And we cannot ask people to personally take ownership if we are not transparent.”

How will Accenture reach its commitment to achieve a global workforce goal of 50 percent women and 50 percent men by 2025? Transparency around numbers, visible communication on progress and accountability from leaders like Sweet is essential. Additionally, the company has launched innovative programs to help accelerate impact.

Accenture's diversity referral program, which launched in October 2016, offers employees and Accenture alumni significantly larger awards for successful referrals of women, African Americans, Asian Americans, Hispanic Americans, veterans and persons with disabilities. The amount varies depending on the new hire's career level.

Accenture has always had an employee-referral program, but this multiplies the reward amounts employees receive – and it's backed by commitment from the company's top leadership to make it a reality. The program was launched by Sweet through an all employee memo, amplified across the company's internal social network and distributed via the company's numerous employee resource groups.

With a boost from strong word-of-mouth, the program has been very successful. In the first four months, the company increased its number of both employee referrals and diverse hires by 20 percent.

CULTIVATING AND HIRING A *Diverse Workforce*

The United States, like much of the developed world, is facing an acute worker shortage.

From manufacturing to nursing to STEM (Science, Technology, Engineering and Mathematics) jobs, there simply are not enough workers to replace those retiring or leaving the workforce.

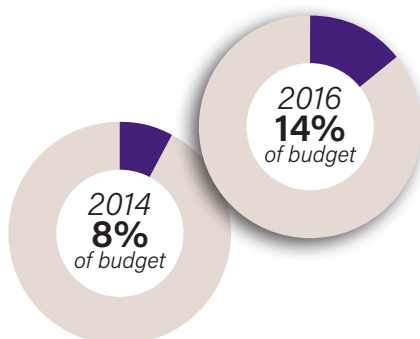
The impact is on economic growth—for the country and for corporations trying to succeed in an increasingly competitive arena. A lack of workers is hurting production in some areas. And if wages and salaries go up faster than corporate profits, companies will see their bottom lines suffer and, potentially, their stock prices fall.

Companies are aggressively seeking talent. In its annual CEO Survey, PricewaterhouseCoopers reported: “Although CEOs are generally feeling upbeat about the future, their willingness to recruit more workers is a sign that CEOs are rebalancing their workforce with a focus on strengthening their innovation, digital and technology capabilities in order to capitalize on these new opportunities in order to support skills and investment.”¹

As companies search for talent, maximizing all populations becomes even more critical, and inclusive hiring practices are essential—as are programs and initiatives specifically aimed at hiring more women, people of color, LGBT people, people with disabilities and veterans.

Insights from the 2017 DBP Inclusion Index

D&I Budgets for Recruitment & Employment Branding



Best Practices in D&I Recruitment

(% OF RESPONDENTS IN 2016)

Require diverse interview slates

85%

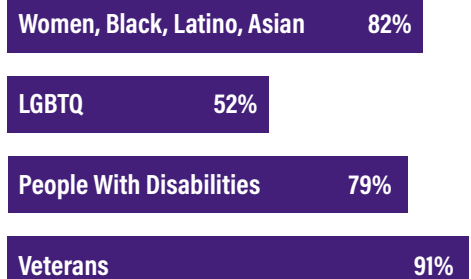
Provide training in diverse interview skills for hiring managers

76%

Selects external recruiters based on ability to provide diverse slates

91%

Targeted Recruitment Programs for:



IN THIS CHAPTER

For companies new to D&I recruitment and hiring:

- How do you find talent—how do you know where it is and how do you attract the best and brightest from diverse groups, including LGBTQ people, people with disabilities and veterans.
- How do you attract Millennials, who are cognizant of the need for a diverse and inclusive workforce? Is diversity branding important?
- How can you best develop relationships with organizations (colleges, non-profits) so you can have a feeder pool of talent?
- How do you answer naysayers at your organization, who fear legal or “quality” issues over diversity hiring? How do you address people in the hiring process who worry someone is “not a cultural fit?”

For companies advanced in D&I recruitment and hiring:

- How do you ensure your recruiters and hiring managers aren’t biased (even without realizing it)?
- How do you overcome specific gaps in groups because there are few role models and “it doesn’t even occur to them” to apply—i.e. women in STEM jobs, Blacks and Latinos in accounting?
- How do you account for geographic gaps in your hiring area?
- How do you help diverse new hires successfully acclimate to your corporate culture (ERGs, mentors, targeted programs, “stay” interviews)?

For companies new to or in early stages of D&I:

To start, as most corporations are well aware, the demographics of the United States have been changing rapidly and to have a workforce representative of the population requires an effort to bring in more Blacks, Latinos/Hispanics, Asians and people of multi-ethnicities.

The U.S. population is growing more diverse...**Hispanic population**

57.5 million

+2%

Asian population

21.4 million

+3%

...and non-white populations are a larger part of the population²**Blacks/African Americans**

12.6%

Hispanics/Latinos

17.1%

Asians

5.1%

Native Hawaiian/Pacific Islanders

0.2%

American Indians

0.8%

People reporting two or more races

3.0%

The competition for talent is particularly intense in STEM (Science, Technology, Engineering and Mathematics) fields. Today, there are more than half a million unfilled tech jobs in the United States, and non-tech industries employ two thirds of private sector tech workers.

Experts predict that by the year 2020, more than half of all jobs in the United States will be computer related. There are significant gaps in the tech workforce for women, Blacks, Latinos/Hispanics, people with disabilities and older people. The tech industry for the most part has been public about its problems and its demographics. The increased demand for talent is forcing the industry to redefine its preferences and prerequisites for employees and recruiting through non-traditional channels.³

In order to attract the best and brightest from under-represented groups, as well as a high proportion of younger workers, companies increasingly are aware of their brand image as an inclusive employer. With four generations now in the workforce, companies looking to lead in the coming decades will have to implement strategies to continually develop their experienced older workers while at the same time compete effectively for younger workers. Additionally, creating synergy between these generational groups—many of whom have differing values, experiences, and work habits—will be a necessity to maintain maximum productivity and a competitive edge.

GOAL SETTING

Setting goals is paramount – realistic goals that take into account the geographic and talent feeder population and the long-term need to diversify in terms of gender, race/ethnicity, orientation, disability, veteran status, religion and other factors.

Three objections companies often receive when instituting a diversity recruitment plan is that there aren't enough "qualified" diverse candidates, that current employees are concerned they will be displaced, and that setting diversity goals isn't legal (it is).

It is important to establish clear communication strategies and messaging to address these and other concerns. Engage champions and include stakeholders in the planning process and helping to share messaging, rationale and process.

When people suggest that a company is sacrificing quality, they are wrongly assuming that diverse candidates don't have capability/talent. The truth is, not everyone in the talent pool has the same skills and qualifications so companies seeking more diverse candidates are expanding their pool to ensure talent is gained from all walks of life, not just one.

Realistic and achievable goals, based on market, internal and competitive data that match the labor pool will be more accepted if they align with business objectives—i.e. need to increase the number of STEM majors hired out of school to fill specific jobs. It is crucial to set recruitment goals based on individual business line/functions needs and examine data this way to find and address gaps. Leverage available EEOC data or ask your recruitment partners to provide this data to you so you are clearly aware of what the talent pool is. Success should be measured specifically by business unit/function and include conversion rates of applicants by various diversity categories (race/ethnicity, gender, veteran status and, where data is collected, orientation and disability).

It's also important when setting goals to have a grace period and understand that real change takes time to institute, communicate and manage. Metrics should be reviewed at least twice a year and hiring data should be taken in context with other related goals –retention, promotion and leadership development.

3 TIPS FOR EARLY STAGE D&I RECRUITMENT

- 1 Be very strategic in developing relationships with organizations that are potential sources of recruits—only target organizations tied to your business strategy**
- 2 Become involved with these organizations by having your members join their boards or committees and attend events—don't just write a check and expect results**
- 3 Provide unconscious bias and other D&I training for all recruiters and hiring managers**

Tech Tools: Recruiting, Hiring and De-Biasing Apps

MOBILE RECRUITING APPS

Recruitment and hiring technology should be supplemented with training and development to make the hiring process more efficient for recruiters and hiring managers when recruiting, interviewing, hiring and onboarding diverse candidates.

YELLOW is a talent acquisition technology. Their products include TRM, video interviewing, scheduling, referrals and mobile apps.

JOBSCIENCE is an iPhone app from Force.com which gives you applicant-tracking capabilities on your mobile phone. Recruiters can invite candidates to submit their resumes digitally and the resumes will be instantly parsed and/or can be searched through to enable you to quickly identify suitable candidates.

HIREVUE PRO is a video interview app on which you can watch pre-recorded candidate interviews anytime and anywhere and decide upon the best fit for a position. Watch, rate and share a candidate, compare with others and make a quick hire.

APPS WITH HR FUNCTIONS

SAGE is a software that syncs hiring plans with real-time organization visibility, projection analysis, what-if modeling and comprehensive reporting. The recruitment tool gives full visibility of talent pool and leverages multi-channel sourcing, social recruitment, job board posting, Google search and post code radius searches. The candidate portal enables rigorous selection through resume parsing, manage applicant details, apply and book interviews, schedule aptitude testing and checking references.

PAYCOR integrates into your own career page so that a candidate will be able to find everything they need to find and apply for available positions. Paycor feeds all data into the same system. It is a single input source that then pushes your available positions to your company website, job sites, and social media channels.

E-VERIFY compares identification information with government records to ensure that each prospective employee is eligible for employment in the U.S. Hiring managers and executives can use email commands to change the status of candidates, capture interview feedback and approve jobs and offers.

WORKABLE SOFTWARE is a web based system that provides advanced job listings across a host of the most popular job boards and makes it easy to track the possible hires once the applications come in. Workable automatically complies applicant's resume and social media profile and presents it as a complete applicant profile.

HR CUBE finds applicants for a position, evaluates them and shortlists the ones suited best for your

company. The software arranges interviews with the best applicants from where you can choose.

SPARK HIRE is a video resume and video interviewing app. After the applicant has recorded their video using a Smartphone or tablet, the HR manager can view them on their mobile. The applicants are helpfully grouped into a single page for records of the hiring managers. Interviews can also be conducted live through the app, as per convenience and consent of both parties.

DE-BIASING APPS

Below is a sampling of software apps that help to reduce the unconscious bias during the initial phases of a hiring process. While software apps are effective in identifying unconscious bias, organizations should ensure they are taking a holistic approach to addressing systemic unconscious bias in the talent acquisition process. Supplement your efforts with training and development for recruiters and hiring managers to reduce unconscious bias in the recruiting, interviewing, hiring and onboarding of diverse candidates.

UNITIVE actualized five hiring best practices across the entire hiring process in one app. The app prioritizes job skills using an easily stackable, drag and drop interface. Focusing on job skills allows recruiters to stay focused and not be swayed by less important criteria or personal characteristics that are less predictive of job success. Unitive provides real-time feedback to help you create job listings that equally attract both male and female candidates.

JANZZ.JOBS matches people, businesses and jobs with selected skills, expertise and experience - anonymously, securely and in real time. All information, data and files are encrypted and protected without exception.

GAP JUMPERS host hiring managers and recruiters and ask work assessment questions for the roles they are looking to fill. Applicants answer challenges anonymously to showcase their skills and creativity for jobs. Using algorithmic and human expertise the best applications are ranked for review by employers. Anonymous work samples avoid resume bias to spot the best, diverse talent from a crowd.

TEXTIO is the augmented writing platform for creating highly effective job listings. By analyzing the hiring outcomes of more than 10 million job posts a month, Textio predicts the performance of your listing and gives you real-time guidance on how to improve it.

ULTIPRO PERCEPTION transforms employee surveys into dashboards making it easier to locate hot spots and create action plans. The proprietary technology processes text-based survey responses,

surfacing where you're succeeding, where you're failing, and what you need to do.

BLENDOOR is a hiring technology that reduces unconscious bias by hiding data that's not relevant and highlighting data that is. They have a database of over 10,000 qualified, diverse (68% Women, 40% Black/Latino/Native, 26% technical) candidates seeking to match with companies that explicitly prioritize equity, diversity AND inclusion. Blendoor captures candidate data from your existing applicant tracking systems and/or online job boards. Candidate profiles are then 'blendorized' - displayed without name, photo, or dates to mitigate unconscious bias. Blendoor collects EEO demographic data to enable talent pipeline analytics based on race, gender, LGBTQ, veteran, and disabled identities.

UNBIAS hides faces and names from profiles, searches, recruiter searches and recruiter projects on LinkedIn, to reduce the effects of unconscious bias on recruiters. Once you've activated the Chrome Extension the blue Unbias icon will appear to the right in Chrome toolbar (by the search/URL bar), so you know it's working.

SAP SUCCESS FACTORS is a program that aims to objectively assess employee potential and identify, develop, and retain talent. It includes a calibration tool designed to help managers with performance management. For example, if all of the employees designated "high potential" are males, or if a woman who went on maternity leave was demoted, the manager will be notified to examine the issue.

ENTELO DIVERSITY is a recruiting platform that uses an algorithm to help companies search candidates from underrepresented groups based on gender, ethnicity, and veteran status. These identifiers are layered on top of a candidate's skills and qualifications for a more objective look at what each person might bring to your company. The platform also helps hiring managers craft targeted emails using information from a candidate's profile.

PIAZZA CAREERS is currently used by 1.25 million students across the US. The program allows hiring managers to find job candidates by asking questions such as "Find me all undergraduates who were TAs in MIT's hardest classes," or "Find me seniors who were top performers in mobile programming classes." Companies can also send messages to potential candidates, and target women and minority students.

HRX TECHNOLOGY is an online recruitment service that creates blind applications by removing all information in a candidate's job profile that could lead to discrimination—including name, race, gender, schools attended, and past workplaces. Then, hiring managers can search through a list of candidate profiles, which are vetted and ranked on the software based on feedback from their references.

BUSINESS RELEVANT PARTNERSHIPS

To find talented candidates from under-represented groups, companies are reaching out to students as early as junior high with internships and communications programs.

The ability to cultivate talent from a young age and nurture it is critical to building a core of diverse workers, especially in hard-to-recruit areas. PricewaterhouseCoopers (PwC), for example, has extensive outreach programs for Black and Latino/Hispanic students, from middle school through college, to encourage them to consider careers in accounting.

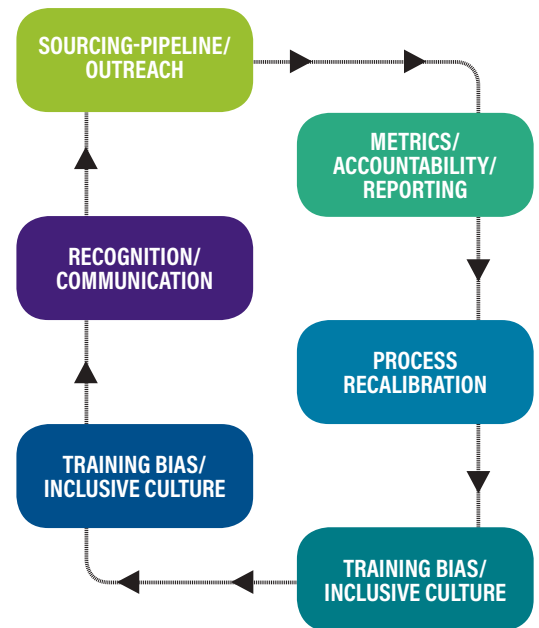
“We partner with colleges to make students aware of business and accounting careers. If they aren’t exposed to it from either their parents or their inner circle, they just don’t know what they don’t know so awareness is essential,” says Angela Delgado, Talent Acquisition Diversity Director at the firm. At the high school level, there is a partnership with diversity, talent acquisition and CSR for community connections, such as career awareness events during Martin Luther King Jr. Day. *(See case study)*

Building pipeline relationships is often facilitated by members of employee-resource groups, supported by their relationships to their communities. For example, the Asian Employee Resource Group at PG&E (Pacific Gas & Electric) raised more than \$45,000 for college scholarships awarded to 17 college-bound high school seniors. Many of these students are first-generation college and/or come from low-income families. This program has existed for more than three decades with some scholarship recipients returning to PG&E as interns and full-time employees. One scholarship recipient is now a PG&E employee and a leadership board member of the Asian ERG.

The relationships with partner organizations, especially the right partner organizations, are essential for recruitment success. Technology company HP, for example, partners with the National Action Council for Minorities in Engineering and other organizations to build up a database of potential recruits. And HP employees work with local schools to participate in Hour of Code, a global movement offer one-hour tutorials, to get girls and minority youth interested in computer-technology careers. *(See case study)*

Companies are also seeking candidates from academic areas outside of the company’s focus to find those with backgrounds that could be valuable. In addition to networking, they are advertising in non-traditional media outlets and social media, pushing recruiters to find more under-represented candidates, and sending more staffers to job fairs sponsored by organizations.

6 Elements OF A ROBUST D&I RECRUITING STRATEGY



De-biasing Tips from Language and Culture Worldwide (LCW)

Attracting and Recruiting Talent

INCLUSIVE RECRUITMENT

1. **Communicate a culture of inclusion** (use social media/ads to focus on how you value and leverage top talent from all backgrounds)
2. **Look for diverse talent where they are** (relational vs. transactional, outside our usual networks)
3. **Look for cultural bias in job/role descriptions** (refresh 'must haves' vs 'nice to haves,' use inclusive language, prioritize gaps in current team)
4. **Make diverse slates the norm** (identify under-representation, set targets for qualified candidates @ each step)
5. **Expand Internal Referral Systems** (don't always ask the same people! tenure can breed homogeneity, redundancy; ask new hires)
6. **Expand Industry Search Footprint** (avoid over/redundant specialization, breed innovation across disciplines)

Developmental Model for Sustainable D&I

Compliance Efforts meet the minimum requirements to be legally compliant or are instituted during the earliest stages of a diversity change initiative.

Inclusion Efforts are considered "standard best practices" and are commonly instituted by organizations that have adopted a dedicated diversity change initiative.

Employer of Choice Efforts link diversity to the business case, while also continually striving to be a thought leader in workforce development practices and inclusive cultures.

Recruiting and Hiring

EMPLOYER OF CHOICE EFFORTS

- ERGs are actively used to help recruit diverse candidates, and systems ensure candidate tracking from referral to hire
- Ensure diverse candidate slates for all leader-level and key job openings (internally and externally)
- Require Cross-cultural competency training for recruiters, interviewers, and hiring managers
- Audit interview guides for bias
- Review job descriptions for outdated/too narrow requirements
- Provide onboarding programs for diverse candidates
- Develop partner relationships with organizations geared to diverse students/experienced hires
- Recruiting efforts are embedded within business unit action plans

INCLUSION EFFORTS

- Recruitment and development of diverse talent at ALL levels
- Coordinated, organization-wide effort to attract and recruit diverse talent in all geographies/bus. units
- Develop relationships with target schools and diverse professional organizations(e.g.
- HBCUs, HSLs, women's colleges, Black MBAs)
- Actively identify and recruit diverse students for high-po/leadership development or rotational programs
- Have internship programs and early college and high school student outreach
- Sponsorship of on-campus scholarships and programs

COMPLIANCE EFFORTS

- Attend diversity career fairs and have diversity marketing materials (largely traditional materials with diverse images) but coordination does not take place organization wide
- Majority of organization's diversity efforts focused on the recruitment and development of diverse talent

Interviewing and Hiring

INCLUSIVE SELECTION

1. **Early Review of Full Talent Acquisition Life Cycle for Bias** (interview guides, job requirements, criteria weighting, evaluation)
2. **Implement Blind Applicant Review System** (redact names and institutions in first round CV reviews)
3. **Ensure a Mix of Interviewers** (including generational, cross-department/specialty, underrepresented groups, and 2+women)
4. **Don't Accept "Not a Good Fit" As a Given** (ask for behavioral examples that support this concern, and respectfully call out biases)
5. **Hold People Accountable to the Process** (not the numbers, as this helps ensure top quality hires as well as diversity)
6. **Conduct Anonymous Surveys** (leverage recent hires and those who declined offers to help identify hidden biases)

Measurement/Accountability

COMPLIANCE EFFORTS

- Track EEO and/or representation data
- Track participation in programs (e.g., network groups, etc.)

INCLUSION EFFORTS

- Track recruiting, retention, and turnover data
- Create and update diversity scorecard with lagging workforce representation metrics. Owned by CEO.
- Mine engagement data from a demographic differential perspective
- Ask standard questions relative to perceptions on support for diversity & inclusion and understand link to engagement
- Leaders understand how they are held accountable for owning and achieving inclusion outcomes

EMPLOYER OF CHOICE EFFORTS

- Annual goals and performance objectives for leaders include specific links to talent strategy for inclusion, innovation and valuing top talent
- Identify and track leading indicators/predictive metrics on scorecard that identify where and when key "non-inclusive" career management decisions happen, such as:
 - Access/staffing on key developmental projects
 - Annual performance review differentials
 - Pipeline mix
- Develop diversity & inclusion index in engagement surveys
- Scorecards are owned by senior leadership and tied to leadership accountability system including variable pay
- OD/Competence models embed de-biasing, interculturally competent, and inclusive behaviors for all levels in the organization

5 TIPS

FOR ADVANCED D&I RECRUITMENT

- 1** Clearly communicate your successes as an inclusive companies (awards, recognitions, progress in metrics) so your branding as a D&I leader is readily apparent
- 2** Begin reaching out to under-represented groups as early as middle school and includes access to professionals who can interest youth in professions they might not know about
- 3** Have diverse interviewing panels and hiring teams who can bring different perspectives to thoughts about “qualifications” and candidates
- 4** Consider focusing less on job experience, and more on the capability to learn, be agile, resilient and successful. Job skills can be taught
- 5** Leverage available EEOC (Equal Employment Opportunity Commission) data to get an accurate picture of the talent pool available to you

For companies advanced in their D&I work:

REALITY AND ASPIRATIONS

It is critical to set aggressive, sometimes aspirational, recruiting goals that reflect the demographics of the populations you serve (and in which your facilities are located).

For example, the New York City Police Department (NYPD), the largest municipal police force in the United States, started a new recruitment ad campaign for police officers in October 2016, with special emphasis on diversity. The Committee of Police Societies (C.O.P.S.) is an organization that gathers together the presidents of the Department’s 30+ recognized fraternal organizations. Working hand in hand with officers who are experts in recruitment, members of the fraternal organizations made certain that their members were present at recruiting events so that potential applicants could speak and, relate to members of their communities.

As a result of their efforts, the 646 officers graduating the Police Academy in March 2017 represented 39 countries and spoke 53 different languages. Of those graduating, 21 percent were born outside of the United States and 22 percent were women. About 16 percent were African American, 29.5 percent Hispanic and 11.9 percent Asian.

But New York City has a diverse base of candidates upon which to pull. What do you do if you are located in a geographic area that lacks people from under-represented groups, both racially and when looking for candidates who are from other groups (LGBT, people with disabilities, veterans)? It is important to tie your representation goals to the population demographics you have and be realistic. That said, you can also connect with organizations representing these groups to try to bring in more people from outside your immediate area. Make the case to applicants for relocation and help them, if they do relocate, to acclimate in the region and find others like them. Employee-resource groups can be of great help here, assisting family members who relocate as well.

BUILDING THE PIPELINE, BUILDING YOUR REPUTATION

Having clear metrics and accountability for those metrics will make a huge difference in increasing the diversity in your pipeline. Forming the best partnerships and taking early action to build the pipeline are increasingly important in the competition for best talent. Proactive companies develop partnerships that provide access to high potential talent prior to college, before students have already mapped out and launched a career plan. Educating students about the company earlier in the academic cycle provides opportunities to influence education and development and offer high potential students internships and mentoring.

For example, the nonprofit Inroads Inc. offers leadership development or underserved youth and helps Fortune 500 companies grow a pipeline of future executives by identifying high potential high school and college students and exposing them to internships and mentoring. The success rate is high – 74 percent of Inroad interns receive job offers from the companies at which they intern and 81 percent accept those positions.⁴

Your reputation will help with this. Companies are becoming laser focused on their external employer brand. Branding as an inclusive leader is particularly important in recruitment in today’s competitive market. That means a website and other external communications that clearly showcase your employee-resource groups, your leadership’s commitment to D&I, your work-life and related benefits (i.e. religious accommodations) and the diverse talent within your organization. Your branding carries over clearly on social media, which is a major source of recruiting these days. What people say about you – as an inclusive employer – is increasingly important to applicants, especially younger applicants.

Leading D&I companies tell us their reputations attract talent from under-represented groups as well as increasing numbers of Millennials who want to work for inclusive employers. Current job applicants look at corporate websites to see if there are people who look like them in senior positions and what the CEO and company say about D&I. They log in to sites such as Glassdoor.com or Indeed.com to see from current and former employees how inclusive the workplace is.⁵

UNDERSTANDING BIAS IN THE PROCESS

Companies increasingly are realizing there are a whole host of biases that can turn off an applicant or prevent them from being hired. Those run the gamut from job descriptions to online photos of those already in the job. A major deterrent is bias, often unconscious, from the recruiter and the hiring manager. That may include a rush to fill positions, which yields the “quick fit” of someone like the majority of people who have traditionally been hired. It may also include hiring managers’ and recruiters’ “gut” feelings that an applicant “is just not the right fit.” To counter those biases, a current best practices is training for recruiters and hiring managers in recognizing bias, including unconscious bias, and in learning how to ask more inclusive questions.

When it comes to biases and hiring, managers need to “think broadly about ways to simplify and standardize the process,” says Iris Bohnet, director of the Women and Public Policy Program at Harvard University’s Kennedy School. That means understanding what hiring prejudices are and how they operate. And having those in the hiring practice think hard about “likeability” and why they “like” one person over another. It also means looking carefully at job descriptions where even subtle word choices can make a difference.⁶

Successful tools to onboard new employees

- 1 Providing an on-boarding portal to answer questions and give virtual tours of the operation
- 2 Electronic welcome packets, which include core values and information about employee-resource groups and D&I
- 3 Special introductory sessions with ERG leaders and members
- 4 Providing new employees with a “buddy” for at least the first month, who will serve as a mentor and guide
- 5 One-on-ones with mid and senior managers from the same diverse groups who can share their own onboarding experiences

Endnotes

1. "The Talent Challenge: Harnessing the Power of Human Skills in the Machine Age," Adapting 20th Annual CEO Survey, 2017, PricewaterhouseCoopers
Link: <https://www.pwc.com/gx/en/ceo-agenda/ceosurvey/2017/gx/deep-dives/the-talent-challenge.html>
2. U.S. Census Bureau, 2016-2017, Fact Finders
Link: https://factfinder.census.gov/faces/tables/services/jsf/pages/productview.xhtml?pid=ACS_15_5YR_DP05&src=pt
3. "Rethinking Approaches to Diversity and Technology," Diversity Best Practices, January 2017
Link: http://www.diversitybestpractices.com/sites/diversitybestpractices.com/files/attachments/2017/02/di_in_tech_final_jan_2017_2.pdf
4. "Collaborating with Associations to Tap a Diverse Pipeline," Diversity Best Practices, April 2017
Link: http://www.diversitybestpractices.com/sites/diversitybestpractices.com/files/attachments/2017/04/association_partnership_best_practices.pdf
5. Derven, Marjorie, "Branding: What Does D&I Have to Do With It?," Association for Talent Development, May 14, 2014
Link: <https://www.td.org/Publications/Blogs/Human-Capital-Blog/2014/05/Branding-What-Does-D-and-I-Have-to-Do-with-It>
6. Knight, Rebecca, "7 Practical Ways to Reduce Bias in Your Hiring Process," Harvard Business Review, June 12, 2017
<https://hbr.org/2017/06/7-practical-ways-to-reduce-bias-in-your-hiring-process>
7. Kantor, Julie, "High Turnover Costs Way More Than You Think," Huffington Post, Feb. 11, 2017
8. Bauer, Tayla N. Ph.D., "Onboarding New Employees: Maximizing Success," SHRM Foundation
Link: <https://www.shrm.org/foundation/ourwork/initiatives/resources-from-past-initiatives/Documents/Onboarding%20New%20Employees.pdf>

It is also essential to have a diverse panel of people involved in the hiring and to insist on diversity in candidate slates, especially for more senior jobs. Develop and include a list of questions for panels to challenge each other during the debrief to minimize bias. That diversity is not just for race/ethnicity and gender. It should factor in as much as possible (because of privacy concerns) orientation, disability and veteran status.

ON-BOARDING IS KEY TO SUCCESSFUL RECRUITING

Once the employee is hired, on-boarding is critical, especially for people from under-represented groups. Why is this so essential? The cost of replacing an entry-level employee is as much as 50 percent of the person's annual salary and for senior-level executives it can be 150-400 percent.⁷

Employees learn the company culture through the onboarding process – new hires are becoming familiar with the company's place in its industry, learning project goals, reviewing training materials and beginning to contribute.

One of the keys to a new hire embracing the company culture is the connections and/or relationships they make with tenured employees. This increases an employee's desire and influence within the organization. Employees from under-represented groups often need more time for trust building and increased communication about the inclusive culture and what that means for them.

The first year is a critical time when diverse talent assesses whether they feel comfortable and should stay or go. There are four components of on-boarding, according to research by the Society of Human Resources Management – Compliance (basic legal-related rules and policies, such as sexual harassment); Clarification (ensuring new employees understand their jobs and what's expected of them); Culture (providing employees with a set of organizational norms, both formal and informal; and Connection (vital interpersonal relationships). Feedback is critical to new employees, especially those not in the "mainstream" culture. They may not know what is the norm in terms of behavior, or feel uncomfortable with what they see around them.⁸

Conclusion

Finding talent in an increasingly diverse world is a growing challenge, one that gives the advantage to companies with branding as a D&I leader and inclusive processes in place.

The ability to find talent from under-represented groups depends primarily on four factors – setting realistic goals that factor in such areas as geographic availability and different components of diversity, strong relationships with organizations and schools that can provide a pipeline of talent and help your company reach this talent at an early age; hiring and recruiting processes that are very attuned to different cultures, backgrounds and the need for understanding biases in the hiring process, and a deserved reputation as an inclusive employer.

National Associations Representing Women & Diverse Communities

Women

American Business Women's Association
www.abwa.org

Anita Borg Institute for Women and Technology
www.anitab.org

Association for Women in Science
www.awis.org

iRelaunch
www.irelaunch.com

Society of Women Engineers
<http://societyofwomenengineers.swe.org/>

Lean In
<https://leanin.org/>

Corporate Women Directors International
www.globewomen.org

Minority Populations

Alliance for Board Diversity (ABD)
theabd.org

Association of ERGs and Councils
<http://www.ergcouncil.com/>

INROADS, Inc.
<https://inroads.org/>

The PhD Project
<https://www.phdproject.org/>

National Diversity Council
<http://www.nationaldiversitycouncil.org/>

African-American/Black

African American/Black Executive Leadership Council (ELC)
<https://www.elcinfo.com/>

Corporate Board Initiative (CBI)
<https://www.elcinfo.com/information/what-we-do/corporate-board-initiative>

CALIBR
<http://mycalibr.com/>

National Black MBA Association
<https://nbmbaa.org/>

National Society of Black Engineers (NSBE)
<http://www.nsbe.org/>

Information Technology Senior Management Forum
<http://www.itsmfonline.org/>

United Negro College Fund (UNCF)
<https://www.uncf.org/>

The Black EOE Journal
<https://www.blackeojournal.com/>

HISPANIC/LATINX

Hispanic/Latino Hispanic Association on Corporate Responsibility (HACR)
<http://www.hacr.org/>

Hispanic Alliance for Career Enhancement (HACE)
<http://www.haceonline.org/>

Prospanica
<https://www.prospanica.org/>

New America Alliance
<http://www.naaonline.org/>

Association of Latino Professionals in Finance and Accounting (ALPFA)
<http://www.alpfa.org/>

Congressional Hispanic Caucus Institute (CHCI)
<https://chci.org/>

Hispanic Association of Colleges and Universities
<https://www.hacu.net/>

National Hispanic Institute (NHI)
<https://www.nationalhispanicinstitute.org/>

Asian American

The Leadership Education for Asian Pacifics, Inc. (LEAP)
<http://www.leap.org/>

Asian Women in Business
<http://www.awib.org/>

National Association of Asian American Professionals
<http://www.naaap.org/>

Native American

American Indian Business Leaders (AIBL)
<http://www.aibl.org/>

American Indian College Fund
<http://collegefund.org/>

The Native American Times
<https://www.nativetimes.com/>

LGBTQ Community

Human Rights Campaign (HRC)
<https://www.hrc.org/>

Out and Equal
<http://outandequal.org/>

Reaching Out MBA
<http://www.reachingoutmba.org/>

The Transgender Job Bank
<http://tjobbank.com/>

National Organization of Gay and Lesbian Scientists and Technical Professionals (NOGLSTP)
<http://www.noglstp.org/>

Pride at Work
<http://www.prideatwork.org/>

Individuals with Disabilities

Careers and the Disabled Magazine
<http://www.eop.com/mags-CD.php>

Job Accommodation Network (JAN)
<https://askjan.org/>

Career and Job Resources for Disabled Americans
<http://www.jobhero.com/disability-career-guide/>

Veterans

Hero2Hired
<https://www.hireheroesusa.org/>

JOFAV.com
<https://www.jofdav.com/>

RallyPoint
<https://www.rallypoint.com/>

Diverse Supplier Links

National Minority Supplier Development Council (NMSDC)
<http://www.nmsdc.org/>

WeConnect International
<https://weconnectinternational.org/en/>

Women's Business Enterprise National Council (WBENC)
<http://www.wbenc.org/>

National Black Chamber of Commerce (NBCC)
<http://www.nationalbcc.org/>

Hispanic Chamber of Commerce (USHCC)
<http://ushcc.com/>

Native American Business Alliance (NABA)
<http://nativebusiness.directory/>

US Pan Asian American Chamber of Commerce (USPAACC)
<http://uspaacc.com/>

National Gay & Lesbian Chamber of Commerce (NGLCC)
<http://www.nglcc.org/>

Executive Search Companies Specializing in Diversity

Minority Executive Search
<http://www.minorityexecsearch.com/>

Corporate Diversity Search, Inc.
<http://www.corpdiversitysearch.com/>

Diversity Link
<http://www.diversitylink.com/>

Women for Hire
<http://womenforhire.com/>

Stem Connector
<https://www.stemconnector.com/>

Spotlight on STEM Gaps

In the past two years, there has been a significant increase in the focus on women and diversity in STEM. The technology, finance and sciences industries have publicly stepped up their efforts to increase their gender representation.

Tech companies were under significant public scrutiny for their lack of gender representation. In response, several companies, led by Intel, publicly shared their statistics, challenges and goals to achieve greater gender and ethnic diversity. Pinterest, Salesforce, Twitter and others followed suit. Intel invested a portion of its \$300 million diversity budget to achieve a 40% female hire rate—a goal that they had never been close to achieving. Intel recently announced a 43.1% achievement rate.

On Jan. 11, 2017, a coalition of 100 bio-pharm companies aligned during their annual conference to sign an open letter committing to greater gender parity and representation at their companies. This effort was largely a result of findings from an EY study on gender in life sciences and some pressure at the 2016 bio-pharm conference regarding the dismal results of female representation, despite commitments to diversity.

The UN Women initiative HeforShe campaign and the Thirty Percent Coalition have been primarily led and championed by financial institutions such as JPMorganChase, Bloomberg, EY, Thomson Reuters and others.

The educational pipeline is not strong enough. Consider these facts:

Women earned:

57.3% of bachelor's degrees in all fields



50.3% of all science and engineering bachelor's degrees



However, women's participation in science and engineering at the undergraduate level significantly differs by specific field of study. While women receive over half of bachelor's degrees awarded in the biological sciences, they received only

17.9% of bachelor's degree in computer sciences



19.3% of bachelor's degree in in engineering



39% of bachelor's degree in in physical sciences



43.1% of bachelor's degree in in mathematics



Percent of minority women receiving science and engineering degrees

11.2% Bachelor's degree



8.2% Master's degree



4.1% Doctorate degree



STEM Women in the Workplace:

In transitioning from college to the workplace, MBAs are serving less importance to STEM positions occupied by men, but this is not true for women.

ONLY 1 OUT OF 7

Engineers are the second largest STEM occupational group, but only about one out of every seven engineers is female.

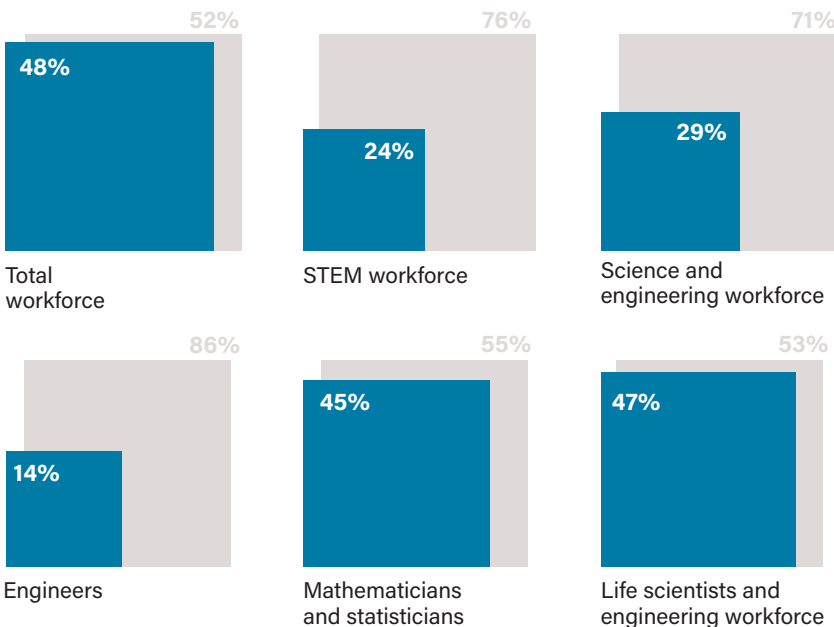
14 CENTS LESS

For every dollar earned by a man in STEM, a woman earns 14 cents less

This is smaller than the 21% gender wage gap in non-STEM occupations, but a clear gender disparity nonetheless.

STEM Workforce 2016

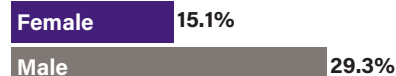
Women as a Percent of:



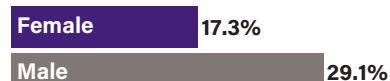
Source: Forbes.com, U.S. Census

Intent of First-Year College Students to Major in STEM Fields, by Race, Ethnicity and Gender, 2006

ALL RACES/ETHNICITIES



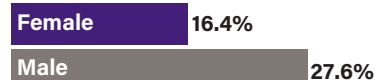
AMERICAN INDIAN



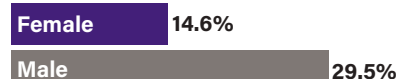
ASIAN



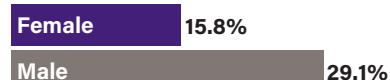
AFRICAN AMERICAN



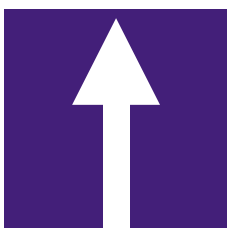
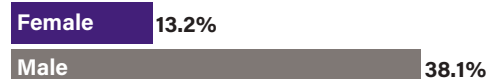
HISPANIC OF MEXICAN/CHICANO/PUERTO RICAN DESCENT



OTHER HISPANIC



WHITE



Data shows the number of women in STEM had been slowly trending upwards prior to 2016.

The STEM workforce was comprised of 26% women in 2011, 24% in 2009, compared to 23% in 1990.

Gen Z + Diverse College Recruiting

BY PRANAM LIPINKSI

Co-Founder, CEO, Door of Clubs

Thanks to Generation Z, diversity is no longer a choice, it is a fact in the United States. Gen Z, which graduated their first college class in 2017, is the first non-white majority¹ while also being the biggest generation ever². Research has shown that they are starkly different than millennials, presenting a whole new set of challenges for employers. So what can companies do to attract this diverse young talent pool?

Diverse College Recruiting Matters

First, it is important to note that diverse college recruiting matters. According to a study by the Harvard Business Review, targeted college recruiting can increase the amount of women and people of color in managerial positions by as much as 10%.³ Many Fortune 500's and high-growth startups already have diverse college recruiting programs. With so much talk, energy, and resources around the subject, there's a surprising lack of success stories.

This short piece is intended to crystallize what matters to Gen Z and how employers can start implementing it into their programs, whether they are a team of 150 college recruiters or someone pitching in part-time.

Diverse College Recruiting Is an Organizational Test

Diverse college recruiting is a test of organizational effectiveness. It exposes weaknesses because it quickly reveals whether strategic imperatives can be carried out from the executive level all the way down to the grassroots level campus recruiter. This type of organizational follow-through is nothing short of proving a business's ability to execute.

As the famous saying goes: "you can lead a horse to water but you can't make her drink." Senior leadership may set inspiring strategies—and they should—but it's college recruiters who are the horses that have to drink the water.

When the campus recruiter who should personally reply to the ideal candidate doesn't, they're not drinking the water for the organization. If things fall apart at the recruiter level, though, it's not just the recruiter's fault. Typically, they haven't been given proper guidance or they don't have the right support system in place.

5 Ways to Take Initiative and Build Trust

Here are five ways that companies can build trust by demonstrating that they value equality through their actions:

- Host a webinar at 7:30 p.m. for diverse students and staying on until they're out of questions.
- Respond to students' emails with personalized answers, not a mass template that directs them to a careers page.
- Provide applicants with a contact email to a human, not a general inbox.
- Provide overtime pay for recruiters who stay late to engage (webinars, chats, calls) with diverse students during 'student hours' from 7:00 p.m.-10:00 p.m. (EST and PST).
- Prioritize human-to-human connection with diverse students.

Simple Support System

Companies who let their actions speak will be able to stand out as an employer of choice to a distrusting generation. To ensure continual execution by recruiters, the support system of accountability must be put in place. Here are five specific ways to implement accountability with respect to the previously mentioned examples:

- ☐ Host 1 mandatory webinar per month with diverse students during the recruiting season. By creating this continued virtual connection point, it will efficiently broaden the diverse talent pool to students and there are no geographic limits.
- ☐ Designate a team member who is considered a 'champion of diversity' to answer all student questions with a personal response. Incentivize them by providing a bonus, gift card, or raise for taking on this special role.
- ☐ Share said champion's contact information with every diverse applicant immediately after they apply. Now every student will feel empowered to ask questions and build trust with your company. Remember, this is a targeted talent pool that want to hear from.
- ☐ Incentivize recruiters to work on 'student hours' (7:00 p.m. - 10:00 p.m. EST and PST). Pay them overtime for staying later, as the student hours are the golden time to engage after they finish their classes and meals.
- ☐ Begin and end diverse college recruiting meetings with human connection as the No. 1 #1 goal. If this is taken care of, trust will be built, and the employer of choice.

Initiative is Everything

As with many things in life, it's the extra efforts that count. Initiative is everything. This rings even more true in diverse Gen Z recruiting.

Technological efficiency can sometimes trick both employers and students into thinking that initiative and trust are obsolete. On one hand, companies are trying to teach bots to build personal relationships with candidates, and on the other, students seek a one-click-get-job button. Research has shown, however, that Gen Z wants human-to-human communication more than any other generation⁴. When they don't receive that connection, it leads to lack of trust. Currently, this trust gap is huge as 6% of Z'ers trust corporations to do the right thing compared with 60% of adults.⁵

So how can employers gain students' trust? According to an EY study, the No. 1 number one factor in trusting an employer is equality.⁶ This presents an opportunity for equality-minded companies, but it also poses a challenge in how to correctly convey it to students.

Initiative can solve this. As the saying goes, actions speak louder than words.

Looking ahead

For companies that who plan to be in business for a long time, it is absolutely critical to attract a young workforce representative of the country's shifting demographics. A new talent attraction strategy, starting with the examples mentioned above, must begin now as Gen Z isn't going anywhere—they are college talent for the next fifteen years. Employers must catch the wave or miss out on the diverse tsunami of innovative talent that will shape the future.

Pranam Lipinski is the co-founder & CEO of Door of Clubs, an online community for college clubs. Door of Clubs shows campus recruiting teams from Fortune 100's to high-growth startups how to take initiative with diverse college talent. They also provide an easy-to-use technology platform and the talent pool to succeed. For questions or more information, please email Pranam@doorofclubs.com.

1. Emerging Theme Radar: What if I Told You" Goldman Sachs, Dec, 2, 2015f

2. "Understanding Your Future Consumer: Gen Z in the Year 2025"

3. Kalev, Frank, Williams, Joan, Thomas, David, "Why Diversity Programs Fail," Harvard Business Review

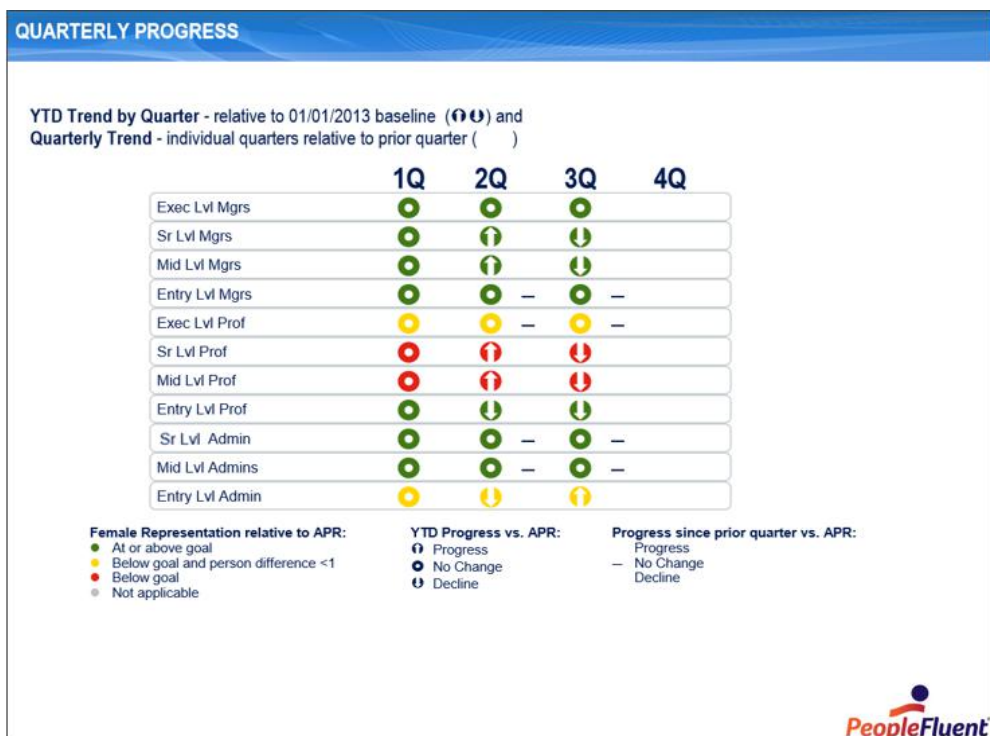
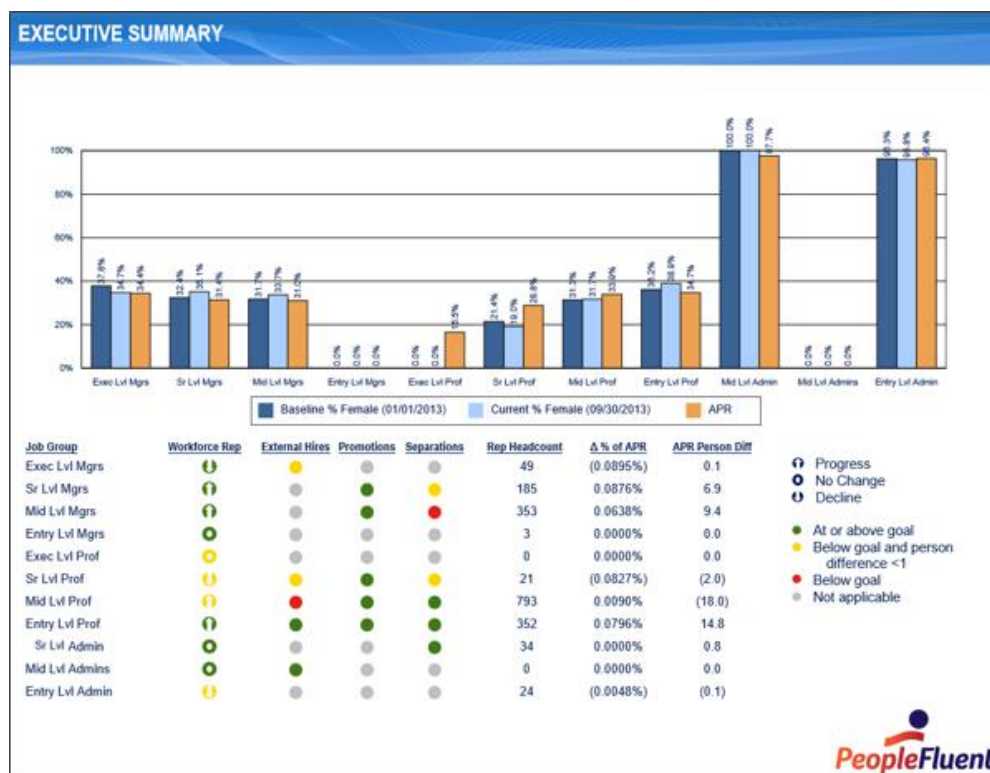
4. "How Generation Z is Going to Bring Balance to the (work) Force" 8x8 Global Cloud Communications, December 2, 2015

5. "7 Key Truths About Innovating for Generation Z"

6. EY - Global study: Trust in the Workplace - Study highlights: Generation Z Values"

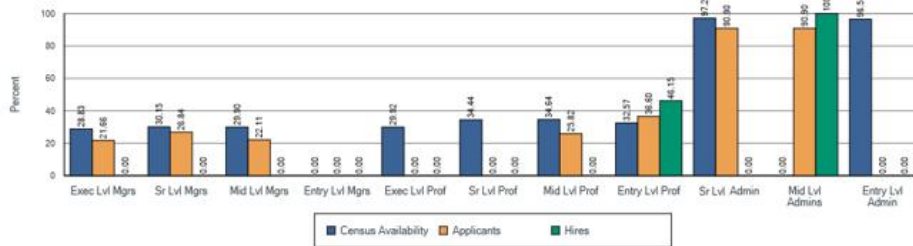
Recommendations from PeopleFluent

These are samples of effective diversity metrics compiled by PeopleFluent, a talent-management solution company for HR professionals. The company advocates consistent repeated methodology in setting diversity targets and measuring movement and progress.

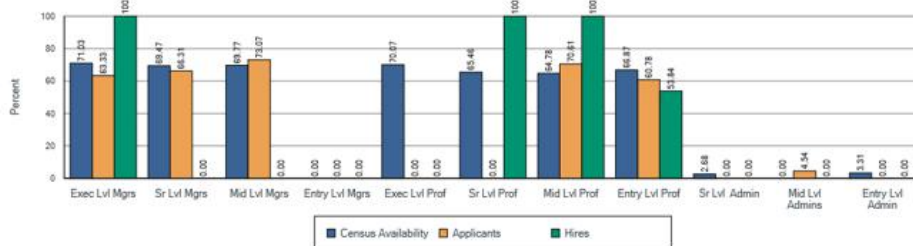


EXTERNAL PARITY

Female



Male



Recruiting Update - U.S. Diversity View

Total U.S. Hires by Diversity (as of 12-31-14): 350



CASE STUDY

PricewaterhouseCoopers: Making the Case to Students

STEPS TO SUCCESS

- ❶ **Start recruitment outreach young – high school and college and follow up even when they are in the job market or hired**
- ❷ **Encourage company leaders to interact with students frequently**
- ❸ **For interns, job shadowing is crucial to understand business aspects**

For children raised in low-income families, certain careers aren't often discussed. That includes accounting and professional-services, and PricewaterhouseCoopers (PwC) aims to change that.

"If you aren't exposed to it from your parents or someone in your circle, you just don't know what you don't know. The more we can expose them to the various opportunities we have, the more we can intrigue them and give them the opportunity to see what else might be on the horizon," says Angela Delgado, PwC's Talent Acquisition Diversity Director.

While many of its programs aimed primarily at diverse college students, some programs are specifically designed for high school students as well. One example is PwC's Accounting Careers Leadership Institute at Bryant University is a week-long, annual summer program for Latino and Black juniors in high school to learn more about the accounting profession. There, the students get exposure to PwC leaders and culture as well as learning industry and management skills. The firm also supports other initiatives for high school students at other colleges and universities across the country.

Additional high-school outreach initiatives include hosting Martin Luther King Day events and bringing students from underserved areas into the office for career days, as well as internship opportunities connected with certain high schools. PwC tries to stay connected with the students as they advance into college and the workforce. "We'd love to see as many come through our program and continue on as possible," says Delgado.

At the college level, the opportunities increase as does

the students' exposure to the firm. More than 90 percent of PwC interns receive full-time offers, which is a testament to the firm's effort.

PwC offers the Explore program, a one-day initiative for freshman, sophomores and juniors who are thinking about related careers and have an interest in the professional-services industry.

The marquis diversity initiative for college student is the Start internship program. Aimed at high-performing sophomores and juniors with related majors

from under-represented groups, the experience allow them to learn more about PwC, while also developing relevant business and soft skills that can be applied to any future career path. "This is a very significant feeder of talent from under-represented groups," Delgado says. The program, gives our interns exposure to our business and our Partners and staff through relevant work experiences and job shadow opportunities.. The interns work in various departments in Internal Firm

Services and have coaches from our client service teams at all levels. "Interns get to see what a career at PwC looks like at all levels of the firm, from associate to manager to partner" Delgado says.

"These interns are getting an early foot in the door in Assurance, Tax, and Advisory. Because we are engaging them within the lines of service, they end up getting a more behind-the-scenes look at all that goes on in our business. They learn that there are so many places a career at PwC can take them – They end up with a better perspective of the opportunities that exist" she says.

More than 90 percent of PwC interns receive full-time offers, which is a testament to the firm's effort.

At Boston Scientific, ERGs Plug the STEM Pipeline

STEPS TO SUCCESS

- ❶ **Community involvement with under-represented youth yields opportunity to reach potential talent**
- ❷ **Employee-resource group (ERG) members will work with colleges and community groups and provide role models for potential hires**
- ❸ **Use ERG members at college and professional fairs to discuss the company culture and how they help on-board new hires**

“We recognize that there is a leaky pipeline, particularly with women and minorities, in the STEM (Science, Technology, Engineering and Mathematics) fields,” says Veronica Angel, Global Diversity & Inclusion Manager at Boston Scientific Corporation. “Reaching them early helps them see that there are other individuals who look like them and can be successful.”

How, though, do you do that? For the developer, manufacturer and marketer of medical devices a key factor is the use of its employee resource groups. The company has a global STEM initiative to encourage more girls to pursue careers in technology. The women’s ERG also is involved with the non-profit Girls, Inc., including summer internships in STEM fields for high school girls who are mentored by members of the ERG.

The black ERG is involved with Bridge to the Future, a STEM outreach program for black high school students. Volunteer coaches meet monthly with the students, who continue to receive mentoring through college and while having internships at Boston Scientific. In the seven years the program has been running, more than 100 students have graduated.

The Black and Hispanic ERGs also are involved with several colleges in the Massachusetts area, where the corporation is headquartered. “The ERGs talk about opportunities, serve on panels, mentor college students and to go campus to meet and greet them,” Angel says. “What you hear from students is that there is a drop-off and it’s very important to try and break that. We can influence that by exposing them to STEM careers.”

The ERGs also help find STEM applicants who are ready to join the workforce. They attend recruiting conferences for engineers and technical employees focused on Black, Hispanic and female graduates. And they will send successful new employees to showcase the organization. For example, at the Black Engineer of the Year (BEYA) conference, an intern who had recently been hired attended to relate to the potential recruits.

Boston Scientific’s ERGs also are featured when new hires attend orientation and attend many functions involving new employees, such as summer picnics. “They will host a patient who has been impacted by one of our products and share stories with production employees who have handled the products. There is a huge impact. They ask, ‘If you participated in this project stand up,’” Angel says.

The company has ERGs for women, Blacks, Latinos/Hispanics, LGBT people, people with disabilities, Pacific East Asian people, South Asian people, veterans and young professionals.

CASE STUDY

HP Reinvents Relationships

STEPS TO SUCCESS

- ❶ **Start recruitment outreach young – high school and college and follow up even when they are in the job market or hired**
- ❷ **Encourage company leaders to interact with students frequently**
- ❸ **For interns, job shadowing is crucial to understand multiple aspects of the business.**

For technology giant HP, recruiting women and people of color for STEM (Science, Technology, Engineering and Mathematics) jobs is a high priority. In a wide world of potential talent, how do you support increasing the pipeline of diverse talent and find the best and the brightest from these and other under-represented groups?

That means a multi-level strategy including an inclusive work environment, strong strategic partnerships, a thriving internship program, and engaged Business Impact Networks (formerly ERGs) and most importantly, EVERYBODY IN!!

The base of a diverse and inclusive work environment is essential. Since splitting into two companies nearly two years ago, HP has put focus here – starting by creating the most diverse Board of Directors in the U.S. tech industry, increasing the number of women in leadership positions, training leaders on creating an inclusive work environment, and embedding diversity and inclusion in all that they do. And yet, there's still more to do.

“At HP, diversity and inclusion goes beyond just the role of HR and reporting numbers. It's a vital part of who we are and a business imperative” says Chief Diversity Officer Lesley Slaton Brown. “We work daily to reinvent the standard for diversity”.

In addition to its university hiring programs, HP has also created strong strategic partnerships with carefully selected organizations that have access to the right talent. For example, HP announced a partnership with Historically Black Colleges and Universities (HBCUs) in a unique business school competition to provide

talented students hands-on experience to help solve real business problems. In addition they partner with organizations like Breakline to support their veteran hiring goals, ReBoot, which gives them access to women returning to work, and many others.

What's important is being selective in which organizations you choose. “We don't have the bandwidth to go to every single organization or university so we are innovative and strategic in the relationships we build and the organizations we choose,” Slaton Brown says.

HP partners with other organizations that provide STEM talent, including National Society of

Black Engineers (NSBE) and the Society of Hispanic Professional Engineers. “Some of our local Business Impact Networks have relationships with local chapters and assist in our recruiting. For example, our site in Boise, Idaho and San Diego, California BINs are engaged with local recruiting fairs through NSBE,” she says.

HP also works to help increase the pipeline of diverse talent by helping expose kids in K-12 to careers in STEM. The company works with Cristo Rey Jesuit High School in San Jose, Calif., a private school that serves underserved communities, to provide internships for some of their students. And HP participates in Hour of Code annually, sending teams of HP employees into K-12 schools globally to mentor girls and under-represented minorities on computer technology skills. Over the last couple of years more than 2000 employees have taught coding to tens of thousands students globally.

“We don't have the bandwidth to go to every single organization or university so we are innovative and strategic in the relationships we build.”

DEVELOPING A *Leadership Pipeline*

Many companies have improved their recruitment efforts for people from under-represented groups but find that keeping them—and promoting them at equitable levels—is a far greater challenge.

What factors prevent people of color, women, LGBTQ people, people with disabilities, veterans and others not in the majority from reaching their full potential in an organization? How can an organization create a deep pipeline that provides equitable opportunities for advancement? And, the question most vexing to so many organizations, how do you stem the flow of diverse talent out the door?

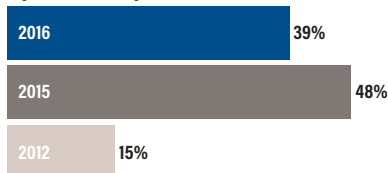
Insights from the 2017 DBP Inclusion Index

PROGRESS REPORT

Formal 1-on-1 Mentoring



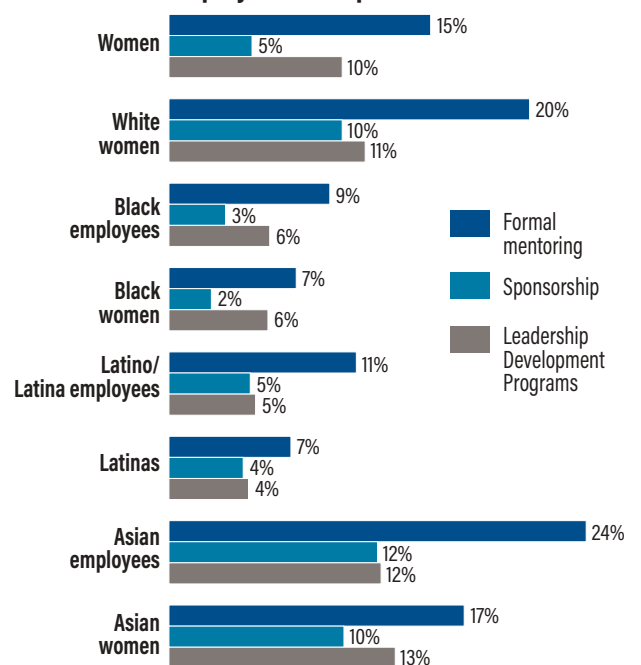
Sponsorship



Succession Planning (2016)



Employee Participation



IN THIS CHAPTER

For companies new to or in early stages of D&I

- How do you set up an inclusive mentoring program and how do you monitor results?
- How do you incorporate training into your leadership development process, both for those determining promotions and those in the pipeline?
- Should you deploy affinity-based development programs or non-specific development programs?

For companies advanced in their D&I work

- Is sponsorship as effective as mentoring and can you “mandate” that someone sponsor someone else? How do reverse mentoring and other types of mentoring impact high potentials from under-represented groups?
- How do you create a sustainable pipeline that has no major gaps (in diverse groups, business function or job classification?)
- How do you successfully incorporate diversity into your succession planning?
- How do you address retention gaps, especially for people who continue to feel marginalized?

Part I: For companies new to or in early stages of D&I**ENDING BIAS IN THE TALENT-DEVELOPMENT PROCESS**

Human beings are predictable. We tend to gravitate toward people who look like us or come from similar backgrounds. That very natural tendency leads to bias in both recruitment and in the promotion/talent pipeline process, where we choose “mini-mes” or younger versions of ourselves to move up in the organization.

Companies need to reevaluate the training approaches that are most effective in terms of reducing bias and promoting talent from all groups.

Monica Marcel, Co-Founder and Principal, Language & Culture Worldwide offers these tips on managing bias in the talent life cycle:

- Early review of full talent acquisition life cycle for bias (interview guides, job requirements, criteria weighing evaluations)
- Implement blind applicant review system—redact names and institutions in first round of CV reviews
- Ensure mix of interviewer (including generational, cross-department/specialty, under-represented groups, etc.)
- Don't accept “not a good fit” as a given (ask for behavioral examples that support this concern, and respectfully call out biases)
- Hold people accountable to the process (not the numbers, as this helps ensure top quality hires well as diversity)
- Conduct anonymous surveys (leverage recent hires and those who declined offers to help identify hidden biases)

MENTORING

Mentoring is a proven method for training and development. Not surprisingly, mentoring is listed in the 50 Best Practices in Leadership Development.¹

But where it often falls short is providing an equal mentoring experience for employees of different backgrounds. For instance, people of color and women have difficulty in finding mentors of the same race or gender because of underrepresentation in the upper levels of management. For people whose differences may not be visible (LGBTQ people, people with disabilities, veterans), finding a mentor who “gets” them may be even more difficult.

Most diversity practitioners recommend mentors from different groups than the mentees so they each gain experience and under-

standing of the other. There is great value to that, but there is also value in having a guide who understands the employee's background. Best practice is for employees to have more than one mentor, for different aspects of guidance.

For example, based on the results of a questionnaire that was administered at a convention of LGBTQ-friendly businesses in the United States, researchers concluded that LGBTQ mentors are able to provide more specific advice and guidance in relation to issues of orientation in the workplace than their heterosexual counterparts and that matching individuals to the right mentors is advantageous. But LGBTQ employees who had heterosexual mentors were reported to have experienced significantly higher rates of promotion and increased rates of other tangible mentoring benefits such as career-related guidance. However, there are undeniable benefits to having LGBTQ mentors who can address specific issues about being LGBTQ in the workplace that those who are straight wouldn't be able to. And it may be just the type of mentoring and support an up-and-coming LGBTQ leader may need at that very career juncture. The key is not to assume what the best match would be. Rather ask what the mentee would prefer given their career goals and the very real coming out issues that have or haven't been resolved.²

When setting up a mentoring system that improves diversity and inclusion, consider these types of mentoring programs. (For companies more advanced, jump to the next section for sponsorship best practices.)

- **Reciprocal mentoring** relies on mentoring networks. These networks enable interaction between groups of professionals with similar needs that can be cross-organizational or intra-organizational. Thus, they allow members to remain connected to the network as they change jobs and advance in their careers.
- **Peer mentoring** offers many of the benefits of traditional mentoring. Peer mentoring provides protégés with mentors who are experiencing similar challenges. This mutuality fosters the development of a sense of equality, empathy and understanding. Consequently, these relationships tend to last longer than more traditional ones. Peer mentoring also offers a greater variety of peers who can serve as mentors, offering greater opportunities for diversity mentoring.
- **Reverse mentoring** pairs younger employees with older workers. Having grown up with advanced information technologies, the younger employees can help their older protégés better understand and become comfortable with these advances and their impacts on the marketplace. Reverse mentoring is also useful in battling ageism in the workplace by encouraging positive relationships between generations. See the case study from Horizon Blue Cross Blue Shield.

3 TIPS FOR EARLY STAGE D&I STRATEGY

- 1 Evaluate the impact of diversity training on the hiring process and selection bias
- 2 When creating formal mentoring that incorporates diversity, consider having at least two mentors per mentee, one of the same group and one of an opposite group
- 3 Include senior management in the mentor-mentee relationship so they gain knowledge of "walking in other's shoes"

Here are some general tips on mentoring from Chronus LLC:

Ensure you clearly define objectives and purpose for your program

- Promote benefits to participants and stakeholders
- Consider rewards and recognition for participation
- Consider Providing development opportunities throughout program

Standard Program Guidelines provide some structure but enable flexibility and self-direction as well.

Trust and relationships often are more successful when built at their own pace.

- Have pairs create goals and action plans
- Average: Year-long program
- Encourage monthly meetings with check-ins every four months to assess progress. Use this time to provide any supporting resources such as recommended discussion points or areas of focus. E.g.:
 - Months 1-4: Get to know. Discuss career goals, life goals. Set goals, set action plans

- Months 5-8: Focus on career development, areas of skill development, obtaining experiences, opening doors
- Months 9-12; Focus on lessons learned, assessing and feedback, next steps, closing steps

Things to consider for Mentor/Mentee Matching

- Decide if this will be a one-on-one program or multiple mentoring circle approach (e.g. two mentors, paired with three to four mentees)
- Determine whether you will allow self-administration (mentees select their own mentor) or administrator determined (the organization matches). A combo allows mentee to select three choices and administrator determines
- Best practice: align mentors with the mentees' goals and objectives for career advancement and or job/life experiences
- If administrator-based matching will occur, you will need pertinent data completed by each of the participants (e.g. hobbies, interests, career plans, key challenges, key strengths, goals, diversity demographic info, etc.)

Metrics for Measuring mentoring programs

1. Promotion, lateral mobility or job rotation rates (participants vs. non-participants)
2. Velocity of mentorship connections (how quickly are relationships building)
3. Performance rating/feedback changes (quality and numeric ratings)
4. Mentor/mentee satisfaction rates with overall program
5. Mentor/mentee satisfaction with relationship connection
6. If goals and action plans were set, the completion rates
7. Trend analytics for participation rates

AFFINITY-BASED LEADERSHIP DEVELOPMENT PROGRAMS

It's one thing to have a program in place. Getting significant results is quite another story. Results of existing programs are spotty. For example, although more than 90 percent of companies report some type of gender-diversity program, only one in four women say they have personally benefited from these programs. Boston Consulting Group surveyed more than 17,500 employees, more than 200 executives across 21 industries on their diversity initiatives. They found several key points on improving gender diversity including these, which also applies to other under-represented groups: ³

- Targeting interventions at specific times, such as return from parental leave or taking an overseas position
- Addressing unconscious bias in evaluation and promotion decisions
- Increasing visibility of role models in organization
- Supporting internal and external networks
- Offering professional development, such as talent management and career counseling
- Offering flexible working models
- Tracking performance through meaningful KPIs
- Sponsorship through a scalable program

The study cited several overrated measures, including one-time only training sessions, incentivizing senior leadership and recruiting senior role models. It also mentioned baseline measures that don't have much impact on individuals, including mentoring programs, gender pay cap initiatives, and conducting employee surveys (because they typically lack follow-up from leaders).

What Works: Affinity-Based Leadership Development Programs

Successful affinity-based leadership development programs help professionals further their success within in their company.

These programs must be specifically tailored to the needs of the specific under-represented group. For example, a key ingredient of any successful Latino talent initiative is the development of a strategic framework that outlines the key components of a Latino talent strategy within a company. This framework should formalize efforts to connect with Latinos from a talent perspective. The Latino Talent Framework, created by Dr. Robert Rodriguez, conveys a common approach used by companies looking to formalize their initiatives.

The Status of Men as Allies for Multicultural Women

31%

of multicultural women in the past 24 months have participated in a leadership development program

compared to 39% of men.

43%

of multicultural women who agree there are men in leadership positions in their company who care about their advancement have participated in leadership & development programs

compared to 14% who have not participated.

Of the multicultural women surveyed with mentors or sponsors who have been given stretch assignments and special recognition over the past two years and participated in a leadership development programs:

49%

had a mentor

23%

did not have a mentor

56%

had a sponsor

25%

did not have sponsor

78%

of multicultural women called professional and leadership development support helpful.

50%

of multicultural women said they're satisfied with the level of professional and leadership development support they got

Overall, men tend to exceed women in leadership metrics

Source: According to the Working Mother Research Institute report, *The Status of Men as Allies for Multicultural Women*

Here's an example:

1 Step One is Building Awareness of the Latino population, common terminology (Latino vs. Hispanic and explanations of other names, such as Chicano, Quiseyano, Cubano, Puerto Rican, Nuyorican and Boricua) and understanding demographics, trends and vital issues, such as immigration reform. This step also includes outreach to Latino organizations, involvement of ERGs, and use of professional contacts to expand awareness and the talent network.

2 Step Two is Building Capacity through recruitment and talent development. Companies must take steps to avoid what is often referred to as the “great courtship, terrible marriage” scenario—losing these employees soon after they have been hired. A 2013 study of Latino employee resource groups by the Hispanic Association on Corporate Responsibility indicates that Latino ERGs are playing a growing role in helping to retain Latino professionals. The study reveals that participation and membership in the Hispanic ERGs at the 30 companies that were part of the study have outpaced the growth in their other ERGs.

3 Step Three is Building Leaders through these affinity-based programs. For example, Blue Print, Intel's nine-month program designed specifically for Latinos, discusses traditional leadership development concepts but also addresses key issues faced specially by Latino employees. The pro-program has facilitated discussions on topics such as Latinos' sense of identity, feelings of isolation, and perceived tokenism. Additionally, Blue Print includes sessions with top Latino executives at Intel who provide a candid and transparent perspective on how Blue Print participants can leverage their Latino heritage as a source of strength. The company reports that since the program began in 2007, there have been about 900 participants with a retention rate of 98 percent. And participants are receiving promotions at a faster rate, have more mentors, and have a larger professional network.⁴

As an example of a successful affinity-based program, look at Sanofi North America's ELEVATE Leadership Development Program, which started for women and now is being expanded to other under-represented groups.

ELEVATE started in 2012 as an accelerated development program designed for women in leadership roles to enhance their skills and prepare for critical roles in the organization. The six-month intensive program was offered to a select group of women leaders with demonstrated performance and potential to assume senior leadership roles in coming years. As of May 2017, there had been four cohorts with 85 women participating in the program.

Sanofi started this initiative because they pinpointed the level at which the advancement of women in the organization often plateaued. It was clear from their internal data that there was a need for an increased focus on identifying women during the succession-planning process for those key leadership roles and this program could provide an opportunity for visibility to the female talent pool.

The ELEVATE program was created to:

- Accelerate development of senior leader mindsets and skill sets
- Help participants and their managers gain perspective about gender dynamics
- Immerse participants in complex strategic challenges facing Sanofi through multi-month action learning projects
- Expose participants to senior Sanofi leaders
- Shape the broader diversity and inclusion culture

The key program elements of ELEVATE were an integrated blend of three residency sessions (Kick-off, Mid-Point, Capstone), a multi-month Market Leadership Project, and executive coaching.

Participants were nominated based on the existing talent review process, with the target cohort size of 20-25 women. Women were identified from the senior director and AVP level, the natural feeder pool for the leadership level where Sanofi was seeing the largest gender gap.

Women represented all lines of business at Sanofi including STEM fields, commercial roles, staff roles, and

manufacturing. This was an important design element for the program to be successful. Sanofi prides itself on being a diversified healthcare solutions company, and so it was intentional that the cohorts would reflect that. It is also true that to fully understand Sanofi's business strategy, participants would need to understand how the company operates across functions.

The program began with an in-person, residential program that focused primarily on leadership competency development. Key areas of focus were:

- Strategic leadership mindsets and skill sets
- Enterprise leadership skills such as cross-functional collaboration, managing stakeholders, negotiation and exercising influence.
- Navigating and influencing gender dynamics
- Transformational leadership skills such as communicating with vision and purpose, leading strategic change, and creating a culture of innovation and growth.

The six-month action-learning project, which had a dual mission of leadership development and business impact, provides a stretch experience for participants to develop senior-level leadership skillsets while identifying new growth opportunities and building new capabilities for Sanofi. Participants were split into small teams that worked on a separate project outside their current business entity. Each team had a senior-level sponsor from Sanofi, as well as a project coach.

At the midpoint session, participants were introduced to their executive coach. To ensure that the participants' managers were invested and engaged in the process, they were invited to three of the executive coaching sessions: an alignment session to identify areas for development, a mid point alignment session and then a final session to talk about how to keep the development going after the program concludes. It is important to note that managers also participated in unconscious bias training, including one segment on gender dynamics, to make sure that they understand their own roles in the development of their teams.

At the final in-person session, teams presented their action projects to the project coaches and senior leaders from various lines of business and made recommendations for further action based on their work.

At the end of the program, the participants took some time to reflect on the experience and take a breather after an intense period of hard work. They also had the option of meeting with their executive coaches before they graduated from the program ensure that they have an action plan to continue their development. Alumni are engaged to speak to the new cohorts to share their experiences and how they have used what they learned in the program

Of the 85 women who have gone through the program, 60 percent of them have been promoted or have made developmental moves that expand their knowledge. Although harder to measure with numbers, the majority of the participants believe themselves to be better, more authentic leaders and see that growth in themselves.

The next level of metrics the team would like to examine are indicators of growth of the teams that the ELEVATE women lead.

The Holy Grail for Successful Talent Leadership Initiatives

VANESSA WEAVER

Alignment Strategies, LLC for the last 25 years, has designed and implemented successful Talent and Leadership Development Initiatives for Fortune 500 companies, many who are DBP members.

What's the secret sauce??? Here are our Ten Success Tips.....

1. Know and Convey the Value Proposition

- **Do Your Homework:** Understand the company's business model and business performance indicators. Review the HR stats, to see how they support or complicate business or organizational performance.
- **Connect the Dots of Your Value Proposition:** How can Increasing the leadership acumen for any targeted group be an enabler to business performance, competitive positioning and employee engagement?
- **Discern the D&I Maturity:** The organization's level of D&I maturity will impact the type, level and complexity of a Talent/Leadership Initiative that the organization will embrace and sustain.

2. Insure Executive, High Level Sponsor(s) and HR/Diversity Office Collaboration

This is critical for expanding leadership support; navigating political minefields; ensuring budget and resources; providing time to course-correct and solidify impact.

3. Focus on the Ecosystem and Discern Critical Facets Impacting Multicultural Cohort Work Life:

Cookie-cutter, one size fits all approach can result in mis-targeted, minimal impact.

4. Create a Multifaceted Initiative

Demonstrate D&I Talent/Leadership initiative's impact in several areas, benefiting the Target/Affinity Group and prioritized by the Value Proposition. For example, demonstrate how Multicultural Cohort can solve current business issues, reduce attrition, thus impacting cost of turnover; increase engagement, which has direct impact on productivity.

5. Content of Initiative Should Include focus on Cultural Realities of Multicultural Cohorts

Assess Impact of Cultural DNA and Cultural Dexterity.

6. Acknowledge the Fear Factor

Make it okay for Multicultural participants and Women to express their fear and apprehensions about being singled-out.

7. Immediate Supervisors Matter

Insure Immediate Supervisors FEEL they are part of the Initiative – owners of its success and not a victim.

8. Don't Operate in Secret

Demystify the "why" of the targeted Leadership/Talent Initiative to the broader organization. Use this as an opportunity to educate others and start a dialogue. Showcase this as a demonstration of the organization's commitment to ensure inclusion/engagement for ALL of its members.

9. Have A Diverse Consulting Team with Shared Affinity

The Targeted Affinity Group, Leadership and Supervisors should be relatable to the Team leading the Initiative.

10. Metrics and Accountability is Essential

- **Build in Metrics:** Pre-Post, Interim and Final. Ensures the ability to track impact and course-correct as needed; provides organization indication of the value/ payback. Identifies Best Practices for Re-application.
- **Accountability:** Ensures that everyone understands their role in supporting the success of Talent/Leadership Initiative. Answers WIFM (What's in it for me?)

Company B: Corporate-wide Talent Development Program (TDP)

Increased advancement of Multicultural women and men, often more than 20% in less than 18 months

Advancement and Retention of Multicultural Women Managers

- **Attrition:** As a result of the Talent Development Program and other interventions, ALS reduced the attrition rate for multicultural women managers to a level comparable to white male managers for the first time ever.
 - Multicultural Female Managers attrition dropped from 8.8% to 2.9% in 2 years
- **Other Metrics:** Talent Development Participants, 2005-2006:
 - **128 participants**
 - **Turnover: (4) - 3.1%**
 - **Promotions: (9) - 7.3%**
 - **Obtained mentors: (68) - 53%**Those who have mentors are approximately 50% from each wave and it continues to be one of the most widely created action items. This is an ongoing opportunity, especially for Wave 2-3 managers.
- **Extremely positive feedback on Program from Participants**
 - 85 % of participants rated the Program Very Good- Excellent
 - "Opens the door to discuss cultural differences. Gives you an opportunity to create awareness in the company on issues of diversity. Educates both the manager and the attendants or participants." Quote from TDP Participant.

Company C: Pipeline Program for Hispanic Executives

Increased mentoring and sponsorship of Multicultural women and men

OBJECTIVES	RESULTS
Improve the annual performance of Hispanic Executives in the target group	<ul style="list-style-type: none">✓ 79% of Supervisors reported a measurable increase in participants' annual contribution✓ 78% of Supervisors reported an increase in participants' creativity and problem solving
Prepare targeted Hispanic Executives to take on broader responsibility	<ul style="list-style-type: none">✓ 20% of target Hispanic Executives promoted✓ 11% of target Hispanic Executives placed in developmental assignments
Increase representation of Hispanic Female & Minority 1st and 2nd line Managers	<ul style="list-style-type: none">✓ Increased representation to 55%<ul style="list-style-type: none">▪ Hispanic Females from 28% to 32%▪ Minority Executives from 18% to 23%
Increase High Potentials exposure to senior leadership	<ul style="list-style-type: none">✓ Over 90% of Multicultural participants met with at least one member of the Executive Council

Performance Management Season: Time for Some Inclusion Nudges

BY MONICA MARCEL

Co-Founder and Partner • LCW (Language & Culture Worldwide)

Performance management and talent planning season presents an excellent opportunity to equip people managers and team leaders with tools for enabling high performance on diverse and multicultural teams, by supporting bias-free evaluations and practicing inclusive leadership in the performance management process. And if your managers have already been through Unconscious Bias, Cultural Competence or Inclusive Leadership training—then it is a great time to reinforce those earlier learnings with ‘inclusion nudges’ and behavioral prompts to ensure their assessments are accurate, fair and rewarding top talent.

We are sharing some insights that have proven helpful for all managers, both novices and veterans alike. Taken from LCW’s suite of tools for Managing Unconscious Bias, first we recap the Types of Evaluator Bias that frequently play out in the performance management process, and then we frame some practical tips for managing such biases with Tips for Evaluating Talent Inclusively. Please share these tools with the leaders, and people managers in your organization—along with your own tips on what works and doesn’t work in your experience toward identifying and mitigating blind spots in talent evaluation.

Types of Evaluator Bias

Evaluator bias, which can be positive or negative, is an inaccurate way to assess (consciously or unconsciously) an employee’s performance, on the part of the rater. With negative evaluator bias, the evaluator’s review may put the employee at a disadvantage, resulting in penalties that impact them personally. Conversely, when positive bias is at work, the rater may take shortcuts and tilt the bias favorably toward individuals they perceive to be more like themselves. Some evaluator biases that can have a significant impact on talent evaluation include:

Availability Bias

When our evaluation of an individual is influenced by what we remember most easily or is visible to us, including our proximity to someone. A subset form of Availability Bias is **Recency Bias**, where raters use recent behaviors or performance to make evaluation and rating determinations rather than the overall behaviors and performance.

Affinity Bias

When we more positively evaluate those who are like us and share one or more of our worldviews. We may unconsciously feel more familiar with or positive about their performance and competence, which works against those who are different from us. A subset form of Affinity Bias is **Hired or Inherited Bias**, where our involvement in the hiring decision may create a connection with that person and become a source of affinity.

Implicit Stereotyping

When we rate someone differently based on preconceived expectations about the group or groups they belong to. This may result in unconsciously setting a higher standard for

people who belong to particular groups, requiring them to prove themselves more often or demonstrate greater achievements because they don't fit "the norm".

Halo & Horn Bias

When a positive first impression causes us to ignore negative or neutral aspects of a team member's performance, or conversely, a negative first impression causes us to overlook important positive aspects of performance. Allowing one aspect of an individual's performance to overly influence unrelated areas of that person's performance is another example.

Confirmation Bias

When we unconsciously filter evidence to support already held points of view and ignore or overlook evidence that disproves them.

Tips for Evaluating Talent Inclusively

Review this list of inclusive behaviors when evaluating talent. Check the box if you already engage in the behavior, leave it unchecked if the behavior is an area of opportunity for you.

- ☐ Ensure top performance is clearly defined and measurable, and not limited to only those behaviors that are similar to how things are usually done.
- ☐ Be aware of your own cultural filters and expectations of performance. Are you inadvertently giving higher ratings to certain groups, or to individuals that share your background, experiences, or work styles?
- ☐ Understand that how people approach their work varies based on their influences, experiences, and how they were taught. Did the person meet the performance expectations, but just in a different way than you anticipated or would have done it yourself?
- ☐ Consider culturally-influenced and learned approaches that are different from the dominant organizational "norm" as positives, and ask yourself if you can you stretch your comfort zone and find value.
- ☐ Monitor performance at the same level and standard, regardless of background or culture. For example: Are you inadvertently micromanaging some groups but not others? Are you unconsciously lending an extra helping hand to some more often than to others? Are you granting the benefit of the doubt equally when mistakes are inevitably made?
- ☐ Access resources to help you think through and manage your biases immediately before you execute a performance evaluation. Ensure each team member is truly being listened to.

When giving performance feedback to an employee:

- **Be supportive—or at least neutral—in tone** ("Help me understand why you took that approach...", "Tell me more about where you were coming from...", "What may I be missing?", "That's helpful to know...")
- **Address the specific behaviors and statements** being made vs. the person making the statement.
- **Be sincere in your openness to other perspectives.** Acknowledge the importance of multiple points-of-view, and that you value theirs.
- **Practice active listening.** Shut off all internal conversation and running commentary.
- **Focus on their communication to you.**

Monica Marcel is the co-founder, partner at Language & Culture Worldwide (LCW). LCW is a global consulting firm that offers cultural competence solutions for diverse groups and organizations. From global executive leadership teams to Chief Diversity Officers, to international students to virtual teams, our solutions build systems, skills and mindsets for succeeding in a multicultural world.

3 TIPS

FOR ADVANCED D&I STRATEGY

- 1** Encourage mentors to become sponsors and communicate the value of sponsorship of diverse talent throughout your leadership so everyone understands the stakes and goals
- 2** When incorporating diversity into succession planning, set clear goals and milestones and communicate them throughout the organization. Ensure one person or team is responsible for this (e.g. HR, Talent, direct manager, sponsor)
- 3** If undertaking a pay equity audit, ensure you are addressing and correcting variables such as manager's discretion and pay grades within levels. Be transparent about the entire process

Part II: For Companies Advanced In D&I

NEXT-LEVEL MENTORING

Once your basic mentoring program is in place, you can consider the next practices that have become increasingly successful at companies with more advanced mentoring models, including:

- **Global mentoring:** Expanding mentoring programs globally adds another layer of complexity. How does one ensure all high performing individuals—and not just those conveniently located in western hubs or corporate offices—have an equal shot at becoming a company leader? When a company's leadership is pulled in varying directions because leaders are scattered at locations across the globe, how can the business maintain its strong corporate culture and ensure its leadership team is moving, synchronously, in the right direction? Mentoring shifts from simply skill-building to culture building, networking and “globalizing” a company's culture. Technology is crucial here, as face-to-face meetings are less prevalent. The critical components of global mentoring programs revolve around process and desired outcomes. Formal programs involve structured interactions and requirements, whereas informal programs may have a friendlier tone but less specific results. Timing considerations, approaches to creating the mentoring team, the structure of goals and outcomes and many other factors come into play.
- **Mentoring circles,** usually up to five individuals with one trained facilitator, often have individuals from different levels of the organization with a shared concern, such as new mothers returning to work. They meet regularly and each member has time to discuss individual concerns, followed by group support. Members act as sounding boards for people to discuss ideas and concerns and devise solutions.

SPONSORSHIP

Sponsorship, where a senior leader uses political clout to advocate for another employee's advancement, can do big things for talented employees. Two of the big issues with sponsorship have been whether you can mandate someone to sponsor another and, if not, how do you ensure executives aren't automatically sponsoring people who are “like-mes” – of the same background?

To be successful, companies that opt to offer sponsorship must make sure to market these programs internally so that everyone understands the stakes and goals. Arin Reeves of Nextions, a Chicago-based consultancy specializing in leadership and inclusion training for Fortune 500 companies, suggests, for example, offering team-building exercises where senior people can mingle with rising talents.

When sponsors are powerful, people are more likely to pitch in to help their protégés' initiatives succeed. On the flip side, they will think twice before interfering with the protégés' teams and projects.

Mentors can be a pathway to sponsorship. Building strong relationships with individuals above, as well as with peers, can help make potential sponsors aware of employees and provide an entryway into networks of power.

Still, the effectiveness of sponsor programs depends on many factors. To make such programs successful, corporations need to help middle managers find job opportunities that feed the executive level and assist those employees in forging significant relationships with top management. Job opportunities can come from existing roles or from creatively looking at new roles or innovatively restructuring old roles. In addition, companies need to hold their senior executives accountable for ensuring that women and minorities are given opportunities for top jobs.

In addition to providing the necessary supports to cultivate and grow sponsorship relationships among senior leaders and high-potential employees, a number of companies are taking it a step further by encouraging, and even requiring, sponsors to participate in formal evaluation processes.

A. Critical Components of Sponsorship:

Sponsorship match must tie to the development plan of the employee. Too often, we identify high potential talent and give them a sponsor and nothing more. The development plan must be targeted to the next level move for the individual and embed the sponsorship into that development plan. In addition, a thoughtful matching process will go a long way. The likelihood of the relationship paying off goes down if sponsorship pairings are made arbitrarily.

The sponsor should have the influence needed to make that specific next move happen for the sponsoree. For example, if moving into a P&L role is the goal, having a sponsor who has influence in a line of business with that opportunity available is critical. Many ask whether the sponsor should be in the current line of business or not. The answer is dependent on the needs of the sponsoree. Do they need visibility in their line of business or outside? Is their primary development need job experience (which should take prece-

dence) or building relationships? Focusing on the needs of the sponsoree should drive the decision rather than being guided by the structure of the program.

Make sure the two components most relevant to women and under-represented groups—visibility and job experience—are directly tied to the sponsorship plan. The goal is giving them the on the job experience that will get them in the door for a potential career move.

Trust is key. Moving from an individual contributor where skills are most important to management and advancement into leadership requires trust and credibility to get others to follow you and inspire teams to achieve goals. The goal of the sponsor is to pave a way for the sponsoree to be considered trustworthy and credible for advancement. The relationship between the two requires trust as well. To effectively advocate, a level of trust is needed between sponsor and sponsoree.

Clarity of purpose and why the sponsorship program exists. Sponsorship programs are often started without first putting some clear expectations and objectives for the program. Roles and responsibilities for all stakeholders should be clear and documented.

B. Developing the scaffolding to support a sponsorship program. Successful sponsor programs often have a team of stakeholders:

Peer advocates. For women in particular, if you incorporate an element of peer advocacy it adds to the effectiveness of the sponsorship program. An example is a peer group that meets every month to share what they accomplished and what they are proud of. The role of the others in the group is to share the accomplishments of the other people in the group with their own networks, that may not overlap with the others in the group, in order to amplify these accomplishments to larger audience.

Direct Manager. A sponsoree's direct manager shares ultimate accountability for their employee's development, advancement and retention. Engaging the direct manager in the process and recognizing when they succeed provides visibility and reward for the manager as well.

HR and Talent. Weaving diversity and inclusion into the talent and HR process helps create a more holistic approach to your D&I advancement strategy. The HR

and talent function provides the whole company perspective and has oversight of the entire diversity talent picture.

The Diversity Council should understand, monitor and track the goals of the sponsorship program. Having the buy-in of your diversity council adds another layer of support and accountability to the program. Consider reporting on the sponsorship program to the council on a regular basis and leverage their support when needed.

C. Selection, Communication and Timeline:

Criteria for selection needs to be clear. Sponsees selected are often defined as “high potentials.” It is essential that each organization define what it means to be high potential and that this is communicated to all employees in talent discussions.

Leverage your employee resource groups. ERGs are a naturally occurring source of diverse talent so sharing of what it takes to be a “high potential” is important to develop the group, identifying programing and development initiatives.

Have FAQ ready and available for when questions come up. Although it is not necessarily recommended to communicate broadly across the company about your sponsorship programs, it is important to be prepared to answer questions about it as they come up in a consistent way.

The length of the formal sponsorship relationship should be based on the talent development cycle. A standard structure is a 12 month sponsorship timeline with 3- and 6-month check-ins. At the end of that time, the pair can determine if it should go longer based on the development plan and advancement opportunities.

Create new roles or assignments. Job openings to always align to an employee’s advancement timeline. However, a lateral move is not the only way to demonstrate success. Think broadly and fluidly about what the next opportunity is and what advancement could look like in your organization.

D. Rewards and Recognition for Sponsors:

For sponsors, ensure that they are being publicly recognized by the CEO and/or other senior level executives for the work they are doing. Not only does this

give them the recognition they deserve, but it can also motivate others to get involved in the program.

Awards programs for senior sponsors and advocates.

At one organization, sponsors at a certain level and above were able to choose a charity to which a \$20,000 gift was donated in their name. Another company holds an annual event “Champions of D&I” award event at a town hall hosted by the C-Suite. Awards included a round of golf with the CEO or dinner.

Don’t shy away from a little healthy competition.

Consider creating a diversity scorecard and dashboard for each leader, which includes the sponsor work. The unit leaders are ranked publicly for their scorecard results.

Tie a successful sponsor relationship to bonus compensation. In order to do this, you will need to have set clear metrics for what success is.

E. Measuring for Success:

Metrics to consider to ensure you are making progress toward the goal of advancing women and underrepresented minorities:

- What is the velocity of movement (promotion rate) of employees involved in the sponsorship program and how does it compare to similar employees who are not in the program?
- Are the development plans being executed on-time? You may have to insert specific metrics, deliverable goals on the development plan to ensure the goals are met, along with a timeline for reaching them.
- Track the barriers to placing “ready” talent. What are they and how will you solve them?
- As well as ensuring your external slates for hiring are diverse, do you always require diverse internal slates, even if you have to go one level down and assign a mentor/sponsor. What color/gender is your pipeline and why?
- Are you monitoring how long people who are either hired or promoted to senior managers or above are in their jobs are their attrition rates hire? Is their length of service shorter in the role? (Ultimately, were they assigned sponsors/mentors/coaches to ensure success?) Are there actionable suggestions for performance improvement or general, unactionable observations?

- Are you monitoring gender/ethnicity of every leadership development class. Do women and people from under-represented groups have the same rates of success post training?
- Is the material used in leadership development training non-sexist and non-discriminatory?

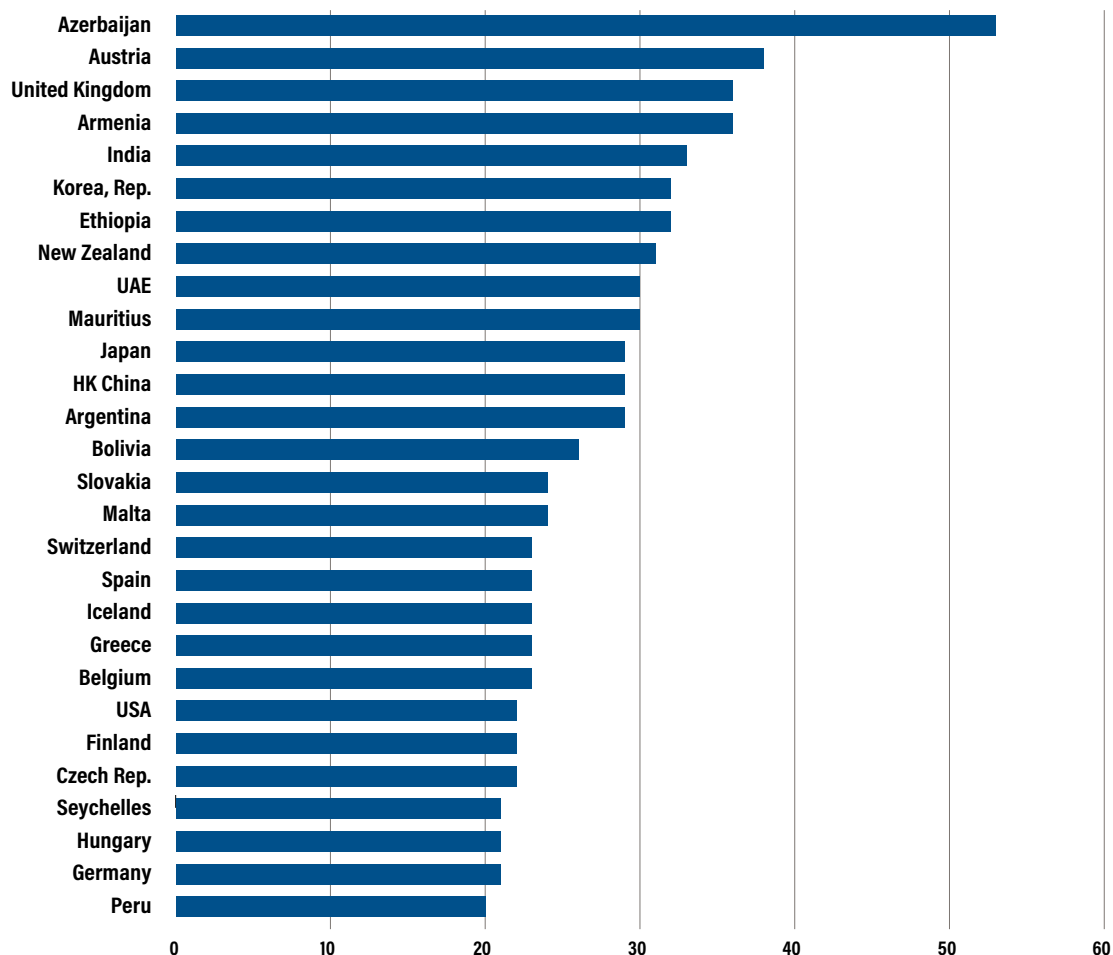
PAY EQUITY

Women are almost half the workforce. Yet they earn less than men in nearly every occupation for which there is significant data for both men and women. For women of color, the potential for change is even slower than for white women –the year at which all women should reach pay equity in the United States is 2059 at

the current rate but for Hispanic women it is 2248 and for Black women it is 2124.⁵

Globally while the gap has been gradually closing over the last decades, there is still a substantial gender pay gap in many countries, ranging from a small amount to more than 40 percent. International Labour Organization data shows higher earning women are more impacted by this gap. The gender pay gap arises because of a number of reasons. Stereotypes based on the male breadwinner model are a leading cause of the gender pay gap. Women are often hired at lower salaries than men, and the gap compounds at each successive stage. A Catalyst study shows that on average, women with MBAs from leading business schools in the United States, Canada, Europe and Asia earn 4,600 USD less

Countries with 20 per cent or more gender wage gap, ILO, Latest years



Source: Table gender wage gap by economic activity, ILO statistical database, June 2014.

All countries 2012, except for Czech Republic and Ethiopia (2013), Austria, Belgium, Bolivia, Finland, Greece, New Zealand and Seychelles, Spain (2011), Malta, Switzerland and USA (2010), UAE (2009)

than men with MBAs for their first jobs. Data also shows that the pay difference becomes much more pronounced three years after graduation, with the gender pay gap increasing to as much as 36 percent in Africa and Latin America.⁶

When considering pay equity audits or reviews, it's easy to become overwhelmed. Cost structures, tenures, differences in role descriptions, and many other considerations come into play.

So what can your company do? According to the Society for Human Resource Management (SHRM), pay equity "is more than about complying with the law; it also makes strategic business sense. Fairness in the workplace is a strategic priority for organizations. Employee perception of fairness, both directly and indirectly, influences an organization's reputation and employee engagement and affects bottom-line results."⁷

At the 2017 UN Council for Women General Assembly meeting, members of EPIC (Equal Pay International Coalition) each stressed the importance of transparency in driving results. Countries such as Norway, which have had laws and policies in place for pay equity, say it is not sufficient just to have laws, but the critical factor is the transparency and accountability in the efforts that have catapulted Norway's results.

SHRM advises the following steps to create a more equitable pay structure (by gender):

- Review pay structures – salaries, merit pay increases, promotional pay increases
- Note if the organization has a formal hierarchy of pay levels
- See if each level has a pay range
- Assess how the organization assigns specific jobs to specific pay levels
- Note what are the important components of compensation in addition to base pay
- Review starting pay policies and who participates in making starting pay decisions
- Review merit pay policies and who participates in them. Does the organization have a written policy on merit pay?
- Review promotional policies. Is there a written policy? Does it include what specific factors lead to promotions?

- Review record retention
- Statistically audit recent pay decisions
- Take corrective actions – reduce managerial discretion, improve monitoring of compliance with policies, move from annual merit pay to lump-sum bonuses, provide more complete written records of decisions

Some companies have had significant success with pay equity strategies. Intel, for example, says it has achieved 100 percent pay equity for women and under-represented minorities. The company attributed this to efforts to increase parity in its hiring and promotion process as well as an in-depth review of its annual performance process. Annual audits of its pay levels are continuing to ensure no back sliding.⁸

And Salesforce said it spent \$3 million to close the gap for women and minorities after a pay equity audit which included bonuses, raising the pay of employees globally 11 percent, impacting 6 percent of the 25,000 global workforce.⁹

SUCCESSION PLANNING

Whether an organization has or doesn't have a formal succession planning programs in place, human nature leads to the inevitable likelihood of favoring those who are "like" you. Let's face it. As leaders get higher and higher in an organization, skillsets and experiences are important but when it comes to selecting their successor or their directs, there is a level of trust factor and relationship factor as well. We tend, as humans, to build stronger relationships and trust with people "like us." "Can I trust them to have my back, have my organizations back? Do I trust them to help me get the job done?" In a fair world once certain criteria are met an employee would be immediately considered for promotion. However, we as humans have bias and that give us the ability to overlook skill based on personal preference. Sometimes this bias, conscious or unconscious, deters managers from looking beyond the candidates they know of or from looking for equally qualified diverse candidates.

To be effective and consider "all" candidates, a succession planning initiative should have the following criteria:

Have an inclusive culture. For succession planning to work, people have to accept that those who are different from them can be effective leaders. This warrants both continuous training on issues such as unconscious bias, modeling from the top leadership, and a culture that rewards and appreciates inclusivity.

Commit from the top. Top management participation and support is crucial to a successful integration of diversity into succession planning. This support must be vocal and clearly communicated. And C-Suite executives should demonstrate their support by sponsoring and mentoring talent from under-represented groups, being involved in employee resource groups, and being always visible D&I ambassadors.

A culture that is willing to challenge assumptions- senior leadership should role model and be willing to challenge candidate slates and talent discussions transparently, ask for specific examples to back up statements and be willing to ask how candidates can bring diverse perspectives to the team.

Set goals. To achieve diversity, even at the highest levels, there must be reasonable but aggressive goals on changing the demographics. For some companies, this may mean bringing in outsiders while developing talent from within.

Dedicate roles and responsibilities. Best practice companies hold someone or a team responsible for achieving the goals of succession planning program.

Establish clear criteria for advancement. Define and communicate clearly the criteria, process and expectations for upward mobility. Review them with the candidates.

Communicate internally. The succession plan must become a part of the company's culture. Workshops should be held for managers at all levels of the company to understand why the company is undertaking this process, how it will work and what the desired outcome will be.

Facilitate mentoring and sponsoring relationships. Mentoring can help to build the pipeline at all levels of the organization. Sponsorships, beneficial in building visibility and credibility, are effective means at the leadership level and should be tied directly into the talent development plans and succession planning.

Support and encourage self-nomination. Best practices companies drive individual employees toward reaching goals and achieving positive results through developmental activities. Self-nomination procedures encourage people from under-represented groups to advance themselves and their interests. But as a caveat here, ensure people are comfortable with self-nomination. Google recently found that women were being promoted less than men because they weren't self-nominating at the same rate. Research shows that women raise their hands when they believe they are 90% ready for a job, whereas men do so when they are 50% ready. So they asked all employees who met the promotion criteria to self-nominate and directed managers to follow suit with their teams. Criteria for selection and the selection process should be clear and transparent. Ensuring clear rationales as to why someone is selected or not, must be part of the performance feedback given to the candidate.

Extend succession planning to all levels. The greatest emphasis should be placed on the lower management levels where most positions and people exist and where business needs are greatest.

Establish familiarity to retain institutional knowledge. Use succession planning to familiarize future leaders with the corporate environment.

Broaden informal networks and improve the transparency of the succession process to reduce bias.

The talent-review team should be diverse and well aware of unconscious bias in evaluations. They should be aware of the "prove it again" pattern of requiring people from under-represented groups to constantly have to prove their skills.

Conclusion

Initiatives to create a diverse pipeline, all the way to the top of the organization, have been spotty and difficult for many organizations, primarily because of retention issues but also because of bias in the promotion and selection process. There are tools recommended here to begin the process of ending that bias and start to stem the leak but it takes time, transparency and a strong commitment throughout the organization to succeed.

CASE STUDY

KPMG Uses Golf, Builds Cohorts to Reach the C-Suite

STEPS TO SUCCESS

- ❶ Ensure relationships developed at events are continued
- ❷ Include mentoring and support from peers as well as leadership
- ❸ Don't over-engineer relationships. Allow them to develop naturally

For professional-services firm KPMG, the emphasis on building a pipeline of women leaders has developed for many years. That effort emphasizes using cohorts to extend the relationships, learning and support from these leadership experiences.

But the company took this to an unprecedented level in 2014 when it developed the Women's Leadership Summit in conjunction with its Women's PGA Championship.

Why tie women's leadership to golf? "It's a commitment on and off the course to help women inside and outside the firm advance to the C-suite. We want to help these next generation leaders continue to develop and reach their professional goals," says Barbara Wankoff, Executive Director, Inclusion & Diversity.

Now in its third year, the partnership between the PGA and KPMG most recently was held in late June-early July at Olympia Fields Country Club in Illinois. The summit brings together women leaders from business, academics and sports and connects them with the next generation of women leaders. The summit is live-streamed throughout the firm and many offices conduct viewing parties. "Our women are really proud of the firm for doing this," says Wankoff.

The firm's emphasis on mentoring and sponsorship as keys to development are carried into the year long program that starts with the summit and continues with cohorts that meet throughout the year. "The emphasis with the peer mentoring is on strengthening relationships that can help you build your skills, network and ultimately advance your career," Wankoff says.

"The emphasis with the peer mentoring is on strengthening relationships that can help you build your skills, network and ultimately advance your career."

These cohorts are led by KPMG partners and include the women who have attended the summit. "We try to match them geographically and there are approximately six people per cohort. We provide them with topics, conversation starters and discussions guides to help them facilitate the sessions," Wankoff says.

Another related program, now in its fourth year, is the Stacy Lewis Rising Stars, in which LPGA Champion

Stacy Lewis takes 27 high-performing high-potential senior manager/director women and brings them together for a two-day event. The first day is all about professional development, followed by a reception and dinner with firm leadership. The second day is about golf—the women are paired with senior female partners in golf foursomes, receive instruction from Lewis and her coaches and play a round of golf. "Many of them have never played golf before and we believe this is important for their professional

development—relationship building. It puts them a little out of their comfort zone and it's a stretch that can really pay off," Wankoff says. "They tend to really bond with the partners."

Success is measured through the length and duration of the relationships they develop and the advancement of the rising stars "You don't want to over-engineer or make sponsorship a compliance issue," says Wankoff.

"Senior women understand the value of sponsors and understand the difference between them and performance management. They help the rising leader to read the landscape in an evolving workplace,"

Wankoff says.

KPMG, which has a woman U.S. Chairman and CEO, Lynne Doughtie, has a long history of helping women advance, led by its Women's Advisory Board (WAB), established in 2003, to improve the work environment and develop strategies to improve retention and development. The board leads the efforts in professional development for women and helps the firm's leaders set strategy and be accountable for women's progress. The WAB has a Network of Women (KNOW) with 65 chapters that drive the strategies that are set.

Mentoring and sponsorship are critical aspects of this and KPMG's WAB offers women a variety of leadership opportunities to cultivate mentors and sponsors. One such program is Accelerating Your Career Potential, for experienced women managers (about 300 a year participate). These managers typically have been working for about three to seven years. They spend a day and a half in classroom settings with lots of accessibility to partners and leaders, building confidence and influencing skills. The emphasis is on career development and being sponsor ready. The program inspires peer mentoring, in which women who attend the leadership development program form cohorts with their peers and help hold each other accountable and offer support in their journey to reach their aspirational goals.

“Senior women understand the value of sponsors and understand the difference between them and performance management. They help the rising leader to read the landscape in an evolving workplace.”

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CASE STUDY

Morgan Stanley's Employee Resource Networks Emphasize Talent

STEPS TO SUCCESS

- ❶ **Use talent from the group, especially talent that might otherwise go unnoticed, as a pipeline for group leadership**
- ❷ **Focus your group's goals on specific items that are related to your company's needs—for example, Morgan Stanley requires that 60% of its group content be focused on professional development**
- ❸ **Expose your group leads to senior management as frequently as possible**

Employee Resource Networks at Morgan Stanley have evolved significantly, along with the firm's D&I efforts and its emphasis on multicultural talent.

Many of the groups have been in place for years but they initially were a place “where employees from similar backgrounds could come together to network,” says Susan Reid, Global Head of Diversity & Inclusion. About four years ago, the organization “thought they could be more. The targeted audience is largely under-represented groups so it gave us a unique opportunity to use the network groups for a higher purpose.”

Morgan Stanley saw its networks having two key functions—developing strong talent by having that talent actually lead the networks, and focusing the network content heavily on professional development. For the first function, they “deliberately identify people who are high performing and have the potential to do more. Being the leader of the network really pushes you to do more. Speaking in front of large groups of people, interacting with very senior people, stretches you in very interesting ways,” Reid says.

For the second function, Morgan Stanley requires that 60% of its network's content be focused on professional development on topics such as skills development, executive presence, communicating with impact and career management direction, including how to have career conversations with senior executives.

The networks are open to everyone and have helped develop targeted programs for women, Black and Latinos, such as LEAD (Leadership Education and Development) for Black and Latino vice presidents and executive directors, and a development series for women at the vice presidential level.

“These programs target under-represented groups. We are also very actively working to make sure that all our leadership programs at the firm have diverse participants therefore we make a conscious effort to identify diverse candidates for those programs,” she says.

Today, Morgan Stanley has networks in North America for Blacks, Asians, Latinos, LGBT employees and allies, families, women and veterans, as well as two networks specifically for its Wealth Management business – for multicultural employees and women. On a global basis, the firm has networks for employees with disabilities, LGBT employees and allies, families, South and East Asian employees, Irish employees and African and Caribbean employees.

Reverse Mentoring: Horizon BCBS of NJ Teaches Top Execs Inclusion Lesson

STEPS TO SUCCESS

- ❶ When considering mentoring programs that are not the “norm,” educate the participants about the value of the process
- ❷ Encourage “out-of-office” meetings so positions of power don’t come into play and relationship is more equal
- ❸ Don’t put stringent parameters on what the mentors and mentees discuss

What’s an effective way to get senior leaders to understand the challenges and opportunities younger minority managers have in an organization? Horizon Blue Cross Blue Shield of New Jersey has a successful reverse mentoring program that does the job.

The idea was inspired by a “reverse mentoring” program JP Morgan Chase had to help older leaders become more technologically savvy by pairing them with younger mentors.

“We thought this was a great concept, but we wanted it more diversity related,” recalls Alison Banks-Moore, Chief Diversity Officer, EO/AA, Work Life Initiatives. “We identified our high potential minority managers and paired them with officers of the company. The high potential managers mentored the officers, so the dynamic was totally different.”

The initiative has been part of the organization’s much larger effort to expand its diversity and inclusion focus. “The better we can understand the employees who reflect the membership, the better we can communicate and get in touch with the mindsets of the cultures we serve,” she says.

The overall goal of the program is to have the officers “look through the lens of a minority manager and really have a better appreciation for their personal story and the challenges and successes they have had. For the managers, there is the opportunity to look through the lens of that officer. Preconceived notions are dispelled,” Banks-Moore adds.

“The better we can understand the employees who reflect the membership, the better we can communicate and get in touch with the mindsets of the cultures we serve.”

The first round was in 2009 and the initiative has been held every year. The numbers varied from year to year. Most of the senior officers are white but not all. Diversity, however, is always a factor. So senior officers who are black are paired with a different ethnicity.

During the year-long program, the pairs meet monthly, preferably outside the office so there are no distractions or “positions of power.” “They really have heart-to-heart open discussions about anything they want to talk about. They build the relationship and the trust level so the conversations become richer over time,” she says.

She doesn’t put stringent parameters on what they can discuss. “If I pigeonhole it, they won’t gain the benefit they do when it becomes organic and free-flowing,” she says.

Banks-Moore’s office holds monthly debriefs with the participating managers to check in and address any concerns. Midway through the year and at the end of the program, they check in with both the officers and the managers.

Horizon Chairman and CEO Robert Marino has participated twice and said at a program luncheon that he no longer sees the participants who mentored him as employees as he now sees them as friends.

Adds Banks-Moore: “I always tell the participants, you will be a different person going out than you were going in.”

DRIVING AN *Inclusive Culture*

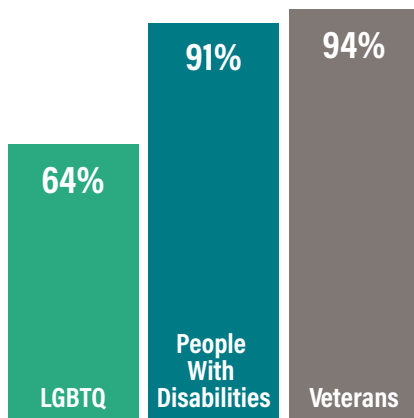
Creating a truly inclusive culture is one of the most difficult steps for D&I initiatives.

Even with committed top leadership and effective structures in place, an organization where people feel comfortable being themselves is still rare. That is particularly true for people whose “differences” may not be as visible – people with certain disabilities, including mental illness, LGBTQ people, and veterans. But it is true for all employees and those who feel marginalized will be less engaged, less productive, less innovative and more likely to leave.

How, then, do you create a culture where everyone feels included? How do you address the needs of specific groups who often feel uncomfortable being themselves in the workplace, such as transgender people and people from religious minorities? There are groups within these and other under-represented demographics that have created guidelines from which corporations can learn inclusive behavior.

Insights from the 2017 DBP Inclusion Index

Tracks Data on These Groups



Methods for Tracking Data

Demographic data collection methods	LGBTQ	Employees with disabilities	Veterans
	DBP Index	DBP Index	DBP Index
Engagement survey	39.4%	39.4%	39.4%
Self-identification during recruitment process	15.2%	78.8%	81.8%
Self-identification as part of HRIS/self-service once employed	42.4%	90.9%	93.9%
Other	15.2%	12.1%	9.1%

IN THIS CHAPTER

For companies new to or in early stages of D&I

- What benefits most create an inclusive culture and most increase potential for engagement and retention?
- How do you handle religious differences in the workplace?
- Are issues such as transgender people's use of bathrooms ones in which companies should be involved and, if so, what should they do?

For companies advanced in D&I

- How and why should you identify people from groups such as LGBTQ, people with disabilities and veterans? How do you use this information once gathered? How do you guarantee anonymity?
- How do you best use employee engagement surveys to understand and create an inclusive workplace?
- How can you institute "stay" interviews to find out what's wrong before the employee leaves
- How do you have frank conversations in the workplace in an era of political divisiveness, anger and controversy?

Part I: For companies new to or in early stages of D&I

As your D&I initiative gains traction throughout your organization, you will receive requests from specific groups of people, who may feel marginalized. Finding common ground and inclusive behaviors, which you can communicate throughout your organization, will benefit everyone. In this portion of the chapter, we will look at inclusive benefits and behavior models for four groups of people – new parents, religious minorities, people with disabilities and transgender people. The best practices that help them—and help others in the workplace successfully communicate with and assist them when needed—are among the most important ways to create an inclusive corporate culture for everyone.

NEW PARENTS: COPING WITH TRANSITIONS

Expanded and extended parental leave benefits and flexible return-to-work policies are increasingly becoming the norm in the growing competition to attract and keep top talent. However, intentional policies, organizational cultural norms, and management of the phase back can mean the difference between retaining and attracting top talent and signaling to employees less than desirable experiences with an employer.

In the rush to remain competitive, many companies have implemented generous parental leave policies and expanded benefits to include fathers, secondary caregivers, same-sex couples, and the LGBTQ community. These benefits often apply to adoption, surrogacy, and foster care in addition to live birth, and can last weeks, months, and in some cases, more than a year. The United States has long lagged behind the rest of the world with regard to parental leave policies. However, while expanding and extending parental leave policies is an important first step, instituting return-to-work policies that allow new parents and caregivers to phase back into work on a reduced and/or flexible schedule is crucial to retaining those workers.

What should be the guiding principles and considerations in creating policies and benefits for new parents?

- **Inclusivity:** Ensure equal eligibility and access: With increased adoptions, same-sex marriage, and other emerging non-traditional family structures, it is important for employers to ensure that parental leave policies are non-discriminatory and accessible and equitable for all soon-to-be parents. Companies on the leading edge of parental benefits extend parental leave benefits to employees regardless of marital status, gender identify, or sexual orientation. The benefits apply to live birth, surrogacy, adoption, and foster care.

And while paid leave is fast becoming a competitive benefits enticement for highly-skilled salaried workers, hourly workers are often left out of the mix.

- **Recognize the needs and concerns of other employees:** It is also important to consider the perceptions of benefits inequities on the part of other employees, including singles. In a Adecco survey, while 88 percent of employees surveyed said they admire working parents' ability to "do it all" when it comes to work and family, 36 percent of respondents said parents' flexibility at work negatively affected team dynamics, and 31 percent said employee morale suffered. A total of 59 percent of working men between the ages of 35 to 44 said flexibility for working mothers caused resentment among co-workers.
- **Have strong communications and open dialogue:** Maintaining communication and contact with employees who are on leave for an extended period is crucial. Employers often unintentionally lose contact with employees and fail to keep them current on events and changes in the workplace and in the industry. Long periods of parental leave without consistent communication may pose challenges when the employee returns to work, particularly if company-wide changes have occurred that will impact the employee and the work they perform.

EDUCATION AND INCLUSION OF ALL RELIGIOUS GROUPS

While some companies have formed religious employee-resource groups for this purpose, your D&I and HR departments also can be instrumental in creating a workplace that is open for all religious beliefs and customs, offers educational information about religious practices that may be unfamiliar to others, i.e. fasting during Ramadan, Jewish people being unable to work on the Sabbath. Your need for an inclusive workplace may be tested in cases of religious intolerance in the workplace, so it is important to have firm guidelines in place.

To help you, the Tanenbaum Center, a non-profit whose mission is to combat religious prejudice, has compiled a "Religious Diversity Checklist." (See page 4) The Tanenbaum Center has worked in the corporate sector for many years and is highly respected as the authority on religious inclusion in the workplace.¹

INCLUSION OF EMPLOYEES WITH DISABILITIES THROUGHOUT THE WORKPLACE

Eight in 10 people with disabilities do not have jobs, despite their efforts and desire to work. "That's not only an historic injustice, it's a huge waste of talent," says Carol Glazer, president of the National Organization on Disability (NOD), a New York-based nonprofit that helps corporations meet high standards in disability hiring and inclusion.

For those who are hired, the ability to be promoted or recognized for quality work is often a barrier. And the issues are even more complex for people with invisible disabilities, diseases such as

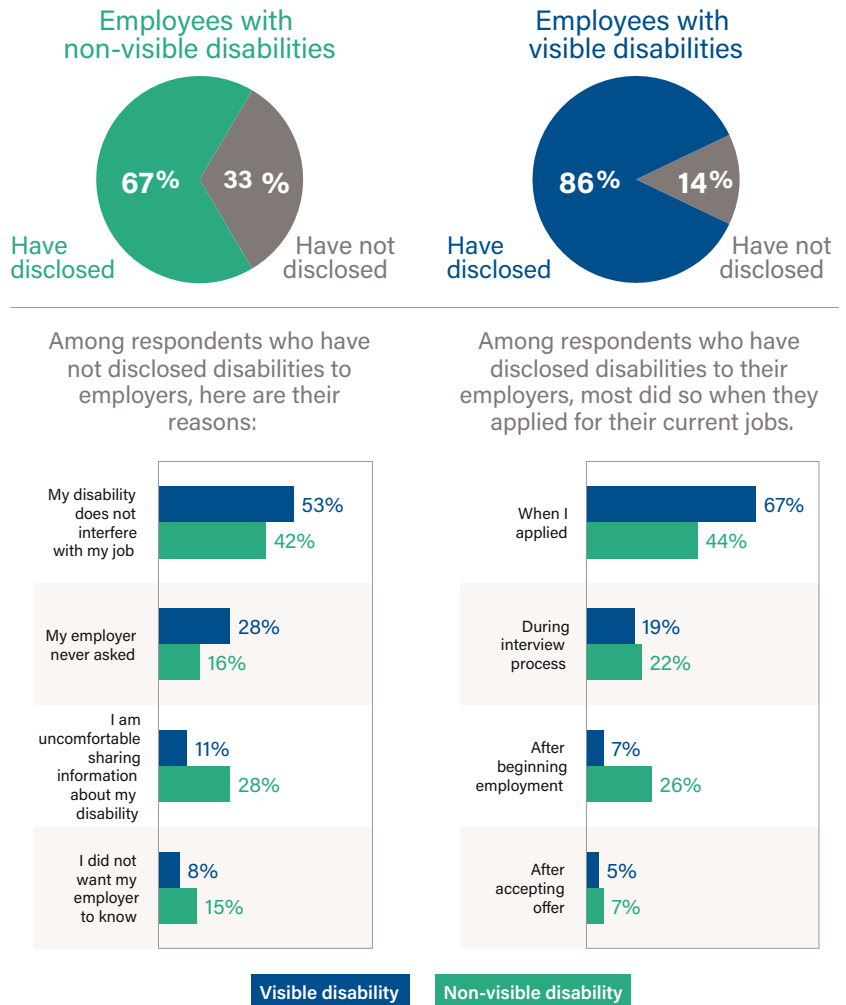
3 TIPS FOR EARLY STAGE D&I STRATEGY

- 1 Provide training and education, especially bias training, so all employees understand issues and what to say (and not to say) to people with disabilities, LGBTQ people, people from different religions and others from under-represented groups.
- 2 Use employee-resource groups to disseminate information and dispel stereotypes, for example about religious beliefs and customs.
- 3 When instituting benefits, consider different groups that will be impacted by them – i.e. flexible work schedules, often designed for working parents, also benefit people with disabilities.

Next steps for employers to create an inclusive workplace for people with disabilities:

1. Train on disability awareness/etiquette: When people don't know what to say they sometimes avoid others with disabilities
2. Foster an inclusive culture: Include disability in recruiting materials, social media and company Intranet and website. Make good use of your employee resource group for people with disabilities.
3. Provide flexibility: Includes working remotely and flexible hours.
4. Adopt universal design: As a start, apply this to your Intranet and website through video, captioning and voice-activated functions, so everyone can access the same information.
5. Provide mentors: Having a mentor significantly increases people's feelings of well-being and commitment, the Working Mother Research Institute survey finds.
6. Centralize and streamline accommodation funding
7. Offer travel assistance

DISCLOSING DISABILITIES TO EMPLOYERS



Men are more likely to have disclosed (80% did so) than women (68%).

People with cognitive and mental impairments are least likely to disclose their disability to employers.

diabetes or multiple sclerosis or mental illness. These employees are often afraid to disclose their conditions and go to great lengths to cover up health issues and not seek accommodations, which impacts their performance.

What's lost when employees with disabilities don't feel comfortable disclosing? Creativity, productivity and sometimes talent itself. "We find anecdotally that disclosing a disability at work can free up a huge amount of 'emotional real estate.' Energy that had been directed to not disclosing can be redirected toward productivity and innovation at work," observes NOD's Glazer. "Being one's full self at work, by disclosing a disability at a disability- friendly employer, can increase productivity by increasing trust with

Tanenbaum's Religious Diversity Checklist

Tanenbaum is the only secular, non-sectarian not-for-profit organization with almost 20 years of experience providing companies with practical programs that help them function in a religiously inclusive manner. Regularly sought out by multinational corporations, Tanenbaum helps companies align the religious needs of their employees with the bottom line.

POLICIES

- Does your company have an official policy regarding diversity?
- Does your company's diversity policy specifically include religious diversity?
- Does your company have a method of communicating this policy to employees and the public (through the employee handbook, information packets, etc.)?
- Do you know the general religious demographics of your employees?

HOLIDAYS/TIME OFF

- Does your company have a clearly articulated policy regarding religious holiday leave (paid or unpaid)?
- Is this policy clearly explained to employees (in the employee handbook, information packets, etc.)?
- Do you have an avenue of communication between employees and management to address scheduling conflicts resulting from religious needs and to find coworkers who can cover or switch shifts?
- Does management take into account employees' various religious holidays when planning meetings, workshops, trips, dinners, etc.?
- Does your company hold any holiday-related events?
- Does management take into account the different faiths of employees when planning these holiday events?

DRESS

- Does your company have a dress code?
- Is this dress code communicated to all employees (through the employee handbook, information packets, etc.)?
- If an employee's religious practice conflicts with the dress code, does the company have policies in place regarding attire accommodations?
- Do employees know what avenues are available to them for communicating with management regarding their special religious attire needs?

FOOD

- Does your company provide food for employees (in the cafeteria, through an office discount meal program, etc.)?
- Do these meals accommodate unique religious and ethical needs of your employees (kosher, halal, vegetarian, etc.)?
- Does your company hold special events involving food and/or drink (banquets, dinner meetings, cocktail parties, etc.)?
- Do these special events accommodate the unique religious and ethical needs of your employees (kosher, halal, vegetarian, etc.)?

EMPLOYEE NETWORKS

- Does your company allow the formation of on-site affinity groups (employee networks)?
- Does your company allow the formation of on-site religion-based affinity groups?
- Does your company clearly communicate the policy regarding these groups and their relationship to the company as a whole (whether through the employee handbook, information packets, etc.)?

OFFICE SPACE

- Does your company have a policy regarding decoration of personal workspace (within one's office/cubical, walls in public areas, the employee lounge, etc.)?
- Does this policy include religious decoration?
- Does your company clearly explain this policy to employees (through the employee handbook, information packets, etc.)?
- Does your company allow special decoration of office space for holidays (Christmas party decorations, Hanukkah decorations, etc.)?
- Do these decorations accommodate the needs of a religiously and culturally diverse employee base?
- Do your employees have avenues to communicate their reactions to these decorations?

RELIGIOUS PRACTICE

- Does your company allow religious practice in the workplace (prayer, meditation, etc.)?
- Does your company effectively communicate their policy regarding religious practice in the workplace to the employees (through the employee handbook, information packets, etc.)?
- Do your employees have avenues of communication by which they can express their specific religious practice needs?

To help you create an inclusive workplace for transgender employees, here is an excerpt from "Getting the Language Right: The Transgender Conversation"

Like any conversation about difference, it is crucial that D&I professionals are armed with the right language to talk about transgender issues. By no means a definitive list, we offer the following guidelines as a place to start.

Sex and gender are not the same thing.

Sex refers to the designation of a person at birth as either "male" or "female" based on their anatomy (e.g., reproductive organs) and/or their biology (e.g., hormones). Gender refers to the traditional or stereotypical roles, behaviors, activities and attributes that a given society consider appropriate for men and women.

Transgender is an adjective and can be shortened to trans. The word "transgendered" should never be used, nor should someone be referred to as "a transgender."

Always use a person's most current chosen name and pronouns whether speaking about this person's past, present or future. If you do not know, or are uncertain, do not assume - simply ask the person what their preferences are.

To better understand what it means to be transgender, it is important to understand the difference between gender identity - how people perceive their own internal sense of maleness or femaleness, and sexual orientation - which describes who people fall in love with and/or are sexually attracted to. An individual's gender identity does not necessarily assume a particular sexual orientation. Transgender people can be straight, gay, lesbian or bisexual—gender identity is separate from their sexual orientation.

When asking a trans person about themselves use the same boundaries you would use for talking to anyone in the workplace. If you wouldn't ask a non-transgender person (cisgender) then it isn't appropriate to ask a transgender person either.

It is irrelevant to a person's gender identity and public life if they have or have not had any form of surgical procedure, sexual reassignment or otherwise. Therefore, using terms such as "pre-op" and "post-op" to describe a transgender person is offensive and should not be used.

These guidelines, for all these and other groups, offer you a first step in creating an inclusive workplace. As your D&I strategy becomes more advanced, you will be able to add more next practices, detailed in the next section.

co-workers, bosses and others, lessening the stress that can come with hiding a disability, and allowing the individual to freely access a needed accommodation."

A Working Mother Research Institute survey of people with disabilities in the workplace found that respondents who have a disability that cannot be seen have a less positive experience in the workplace than those with a visible disability. The report also found the burden is heavier for women with disabilities, who also grapple at the same time with traditional gender bias in the workplace. ²

How can employers do better? Through employee-resource groups and the efforts of non-profits like NOD and USBLN (US Business Leadership Network), companies are devising best practices on creating an inclusive workplace for employees with all types of disabilities.

INCLUSIVITY FOR TRANSGENDER EMPLOYEES

Virtually all companies with employee-resource groups have LGBTQ groups but efforts to include the "T"—transgender—have gained traction in recent years as more people have disclosed and public interest has increased because of celebrity transitions and arguments over bills restricting bathrooms and other identity qualifiers for transgender people.

Transgender Facts & Figures

TRANSGENDER EMPLOYEES		FORTUNE 500 COMPANIES	
26%	97%	50%	92%
say they have been fired at least once in their career	of transgender employees report being harassed on the job.	offer transgender-inclusive benefits, including transitional surgery and hormones	prohibit discrimination based on gender identity in the United States and globally. ³

Sources: transequality.org, Human Rights Campaign's 2017 Corporate Equality Index

Organizations need to be thinking about what they can do internally to ensure an inclusive workplace environment for trans and gender nonconforming people while simultaneously considering how they can support and advocate for transgender people in the communities they serve.

The restroom issue has become a polarizing symbol. Many organizations have begun to address the restroom issue in their workspaces by providing gender-neutral bathrooms. OSHA has created the "Restroom Guide For Transgender Workers" "to assure that employers provide a safe and healthy working environment for all employees."

Although an excellent step in the right direction, creating gender-neutral bathrooms is not enough to ensure an inclusive environment for transgender employees.

According to the Human Rights Campaign’s workplace climate survey and report, *“The Cost of the Closet and the Rewards of Inclusion”*⁴:

40%	42%	40%
hear jokes about transgender people in the workplace.	of transgender workers fear getting fired for disclosing who they are.	of transgender workers report “fear for personal safety” as a reason for not being open

Part II: For companies advanced in D&I

EMPLOYEE ENGAGEMENT: UNDERSTAND THE D&I IMPACT

For companies that have had the first steps in creating an inclusive workplace, it is essential to understand the intersection of diversity & inclusion and engagement and how to measure the impact.

So, what exactly is employee engagement?

Kevin Kruse, author of Employee Engagement 2.0, defines employee engagement as: “the emotional commitment the employee has to the organization and its goals.” Such an emotional commitment means engaged employees actually care about their work and their company. When employees care, they use discretionary effort. They don’t work just for a paycheck or for the next promotion; they work on behalf of the organization’s goals.⁵

Other definitions may vary slightly, but practically all include concepts about employee use of discretionary effort and their connection and commitment to the organization, which can be exhibited by their intention to stay with the company and to refer family and friends for employment.

The federal government’s Office of Personnel Management defines it this way: “The employee’s sense of purpose that is evident in their display of dedication, persistence, and effort in their work or overall attachment to their organization and its mission.” Studies show that employee engagement is a core driver of performance as well as lower rates of turnover, complaints, accidents, and absenteeism. One study found that engaged employees are: (1) twice as likely to stay in their current jobs, (2) two-and-a-half times more likely to feel they can make a difference, and (3) three times as likely to report being satisfied in their jobs.⁶

OPM developed the Engagement Index (EI) to measure the degree to which employees feel connected with their organization and its mission, and their sense of purpose evident in their display of dedication, persistence, and effort in their work. An “engaged”

3 TIPS FOR ADVANCED D&I STRATEGY

- 1 Evaluate your employee-engagement survey to see if it factors in issues for diverse groups, drivers for inclusion and if the actual questions themselves have bias.
- 2 If considering a self-identification process, ensure employees’ confidentiality is protected and that your HRIS system has capability to include this
- 3 Set up clear communications guidelines for employees to have frank and open discussions during times of political, racial and other divisiveness. Don’t sweep controversy under the rug—find ways to help people respectfully understand each other.

employee is one who demonstrates commitment and discretionary effort to their job and organization, which leads to optimum organizational performance. The EI is based on employees' favorable responses to 15 items, organized in three sub factors:

- **Leaders Lead:** Reflects the employees' perceptions of the integrity of leadership, as well as leadership behaviors such as communication and workforce motivation.
- **Supervisors:** Reflects the interpersonal relationship between worker and supervisor, including trust, respect, and support.
- **Intrinsic Work Experiences:** Reflects the employees' feelings of motivation and competency relating to their role in the workplace.

The analysis revealed that diversity, inclusion, and engagement are positively associated with organizational performance. Data consistently indicated that the correlations are stronger for the IQ and EI compared to the DI.

Just as employee engagement and company results are linked, so are employee engagement and inclusion. HR leaders are beginning to leverage their engagement efforts to get a better understanding of their company's inclusion climate. Strategically analyzing engagement survey results, along with assessments of an organization's diversity, can reveal interesting and critical insights about a company's engagement levels. Doing so requires more than just adding several diversity and inclusion questions to the engagement assessment tool. Rather, senior leaders and those responsible for analyzing the information must do a deeper dive into the data. The first step is to break out engagement results along demographic groups. This step must be accompanied by further probing to uncover unexpected patterns and correlations. Questions leaders may want to ask include:

- Are the responses similar or different based on demographic profiles?
- Are the engagement drivers similar or different according to specific diversity dimensions, such as LGBTQ, generations (i.e. Baby Boomers or Millennials), or people with disabilities?
- What are the assumptions underlying the survey that may have inclusion implications?
- Are the findings true for all employees?

Applying this diversity lens to a company's employee engagement efforts strengthens its inclusion climate and its engagement strategy. This benefits all employees as well as the overall organization.

ENGAGEMENT SURVEYS

A key factor in assessing and improving retention is engagement surveys.

To adequately meet the disparate needs and desires of the various segments of the workforce, companies must re-evaluate and adjust the tools used to measure employee engagement and rethink the strategies and tactics employed to foster an inclusive environment. In doing so, new insights will be unearthed that will allow your organization to more effectively retain the best and brightest talent.

Employee engagement surveys are a standard HR tool. However, many HR leaders are unaware that these surveys can do more than just gauge how tuned in workers are. When the results are analyzed correctly, the employee engagement survey becomes the most effective, eye-opening tool for measuring inclusion in ways that can help HR execs anticipate the organization's ability to retain its growing diverse workforce.

It's important to note that many inclusion insights will not be apparent in the top-level survey results. It will take some digging and segmenting to discover findings that will provide true insight on inclusion. The first step is assessing the data by demographic group. Note how responses vary by race, gender, generation, etc. How are the views of your minority, LGBTQ, Baby Boomer, and Millennial employees the same? Where do they differ? Look for patterns, relationships between responses, and correlations. For instance, similarities may exist between LGBTQ employees and people with disabilities (especially those with invisible disabilities). There may be parallels in the coming out experiences for both groups.

But segmenting by demographic group as a whole is not enough. The truly telling findings come when you dive further into the data. Instead of lumping all people of color or all underrepresented groups together, compare the responses of the various subgroups represented within these categories. How do the responses from your Black employees differ from those of your Latino or Asian workers? And going even further, tease out the differences within racial and ethnic categories. Among your

Asian employees, are those of Chinese, Japanese, Indian, or Vietnamese decent having the same experience?

Driving inclusion is not about catering to every wish of every employee. But when research data is deeply analyzed it can be used to acknowledge employees' differences and their shared experiences. When that happens, it's not uncommon for HR leaders to initiate programs targeted to a specific employee need, only to discover that all employees benefit. That's why HR leaders need to take a holistic look at their people-focused initiatives. This may require challenging long-standing management customs and assumptions about the workforce.

Recognition is another critical retention factor. It's a given that most employees, regardless of race or ethnicity, want to be recognized for their contributions. For people from under-represented groups, recognition has a more intrinsic meaning and goes straight to heart of the individual and community.

Recognition proclaims that not only do individuals have merit and worth, but their entire community can be proud of their achievements and bask in the extended glory of the accomplishments. This is crucial for recognition within an organization and outside its walls.

For example, people of color are often recipients of awards and honors from volunteer, professional and non-profit organizations. Yet, too often, these award ceremonies are overlooked by the award recipients' employer. What a missed opportunity—one where company leaders and colleagues can reinforce the message that employees of color matter, that the communities where these employees live and the organizations they associate with have value. Companies can buttress their support of award winners by issuing their own press releases about third-party honors.

RETENTION/STAY INTERVIEWS

With retention of diverse talent a significant risk, companies have been increasingly seeking ways to hold on to talent, from asking their employee-resource groups for feedback to the increasingly popular “stay” interviews. These interviews ask managers and key company personnel to talk to people at various junctures in their careers and find out what might prevent them from staying and succeeding. Stay interviews can be awkward, as employees might feel uncomfortable stating the reasons why they might leave so it is important to stick with it.

A different, but important approach is to ask employees, why have they decided to stay? What would convince them to stay? Do they have a network of friends and colleagues they feel like they can depend on? How important are various factors in their choice to stay (e.g. advancement opportunities, network, sponsorship, etc.)

Just like engagement surveys, however, these surveys will be rendered ineffective if no action is taken as a result of the data collection.

4. Next Step in Inclusion: Self-Identification

While you have worked to create an inclusive workplace and begun to intersect our engagement efforts, we often find that companies remain stymied by the inability of employees who are LGBTQ, have hidden disabilities and, to a lesser extent, are veterans to publicly disclose.

Companies with effective D&I strategies embrace the multiple identities of their employees. And it is vital to understanding and using effective strategies to engage and develop our workforce that we understand its demographics. So how do you get people from under-represented groups whose “differences” aren't visible to disclose?

Employee self-identification is less about getting employees to check a box and more about creating a work environment where employees openly share information and are valued for their diversity and differing perspectives. Equally important is having data to inform your systems and processes necessary to support your inclusive workplace mission.

As you see from the case study on Northrop Grumman (*see case study*), a clear communications plan is vital to making people understand the benefits of self-identification.

How do you capture the data?

- Employers capture employee demographic information in confidential employee records via HRIS (Human Resource Information System)
- Many companies also collect this information through anonymous engagement surveys
- Employers leverage their ERGs to champion and advocate data collection
- Whether storing employee demographic information as part of the HRIS record or collecting it in a survey, employers must be sensitive to issues of privacy and confidentiality

- Self-identification methods must be relevant, accessible, and engaging to multiple diverse audiences. Employees must provide this on a voluntary basis with no penalty for not reporting

What do you do with the data?

Share Results: Build trust and credibility by being transparent and sharing anticipated outcomes, results, actions and rationales -- Good or bad. Ensure transparency is timely, relevant and genuine.

Take Action: If employees don't see the company acting on issues identified in self-ID efforts such as engagement surveys, they are less likely to take the time to participate in future efforts. Taking action builds employee confidence in the process and demonstrates that input is valued.

THE BIGGEST DILEMMA: DIFFICULT CONVERSATIONS

Diversity and Inclusion practitioners and champions often find themselves wondering what to do when it comes to addressing divisive that are playing out in the world around us, including concerns about race, religion, sexual orientation and political viewpoints. "How should we handle this?" "What are other companies doing?" "Should we say anything about this?" "What if we get pushback or backlash?"

Historically, corporations have been mostly quiet about these issues unless major human-rights violations were occurring. But these days, that seems to be changing as the world intrudes more on the workplace.

Stay Interview Basics

While stay interviews can help build trust between a manager and an employee, they can also function as a recognition tool, and are most commonly used to develop structured actions, known as stay plans, that can be put into place to help engage and retain an employee.

A stay interview toolkit can set an organizational structure that establishes criteria for selecting who receives an interview, specifies types of questions and behaviors to engage and avoid during interviews, offers guidance for how candidate responses might be interpreted across multiple perspectives, and recommends possible actions to take to increase retention.

A robust toolkit that effectively supports managers and human resource business partners (HRBPs) during the stay interview process will encompass several components. LCW, a Diversity Best Practices partner, recommends that organizations craft toolkits specific to their organizational circumstances and consider including components that address at least the following:

Preparing for an interview:

- Clearly establish evidence-based, weighted criteria for selecting interview candidates (including warning signals and related considerations).
- Offer support on handling employee resistance including information for interview candidates about what to expect during and after the interview.
- Provide checklists and templates for managers to use when preparing for a specific candidate's interview.

Conducting an interview:

- Delineate the stages of a stay interview, including effective sequencing of questions and the pre- and post-interview process.
- Interviews should be conducted by a third party, an engaged alumni, or employee-resource group leaders who have had training on how to do this.
- Suggest what should be said and done and what to avoid before, during, and after an interview.
- Provide a list of potential questions, along with related considerations for how managers can interpret and understand candidate answers.

Following up after an interview:

- Provide sample organization-specific responses to employee needs and concerns, such as those that surface during exit interviews, engagement surveys and previously conducted stay interviews.
- Identify the scope of actions that managers can take without approval as well as circumstances requiring upstream approval or guidance from HRBPs.
- Highlight internal and external resources available to assist managers in decision-making processes.
- Establish organizational guidelines for managerial response, action, and check-in timelines.

These conversations are hard and uncomfortable and there can be risk involved. But if we have learned anything from history, **some of the greatest change occurs when we are bold and face these challenges with a willingness to leave our comfort zone.**

While not easy, our role as D&I leaders is to facilitate and encourage open dialogue. Our own values and perspectives may be challenged. They are deeply ingrained in who we are and in what we believe. But our awareness of our personal values, emotions and control of our reactions to those who oppose or think differently from us are absolutely essential in our role as champions. **How do we empathize with those who do not agree with us—and how can we increase our understanding of an opposing view and find a way to work together? To what degree do we balance freedom of speech and opinions when they clash with corporate values and culture?**

We recommend addressing the issues through communications and dialogue, both internally and externally. The fact of the matter is, your employees and your customers and clients are talking and thinking about it, potentially even consumed by rampant inequities and crimes of hate and discrimination against any population.

We have developed a few recommendations including links to additional resources to support your efforts.

Start with asking these questions:

- What responsibility do we have as a company/organization to respond internally? Externally?
- What risks do we face if we make an external statement? What risks do we face if we stay silent?
- Where do we, as an organization, stand when it comes to allowing for diverse perspectives and freedom of speech when they clash with our corporate values? what stakes are we willing to plant in the ground (e.g. are there any non-negotiables?)
- Reinforce your commitment to an inclusive culture. Emphasize your corporate values

- Align your internal D&I commitment values to external marketplace and strategy by publicly stating your support for collaboration, empathy, unity, and positive change in racial equity and justice.
- Be prepared for reactions from your employees and customers alike. Like with any bold statement in business, you will receive support for your stance as well as dissension. Have a plan on how you will respond in both cases and be sure it is clear and consistent.

In addition, we offer some general guidelines for facilitating these challenging conversations.

- Create and secure safe spaces for these conversations to take place.
- Look to your executives and Employee Resource Groups to help plan and support these initiatives.
- Consider using readings, text or video to ground the conversation. This ensures a consistent starting place for everyone and a place for the facilitator to come back to throughout the discussion.
- Create a follow-up process to receive suggestions for actions participants might suggest as a result of these conversations and, more importantly, a process to respond to them.

Lastly, we recommend organizations take this opportunity to engage leadership and champions in robust dialogue. Difficult times call for greater communication, reflection, and insights in order to move progress forward. As you prepare for these conversations, it's important to consider rules of engagement:

- Acknowledge change and emotions- allow participants the time to acknowledge the emotions that accompany these topics. Prepare your audience to both expect and allow themselves and others to express themselves. Encourage them to remain neutral and actively listen to others and be open to alternative viewpoints.
- Meet your audience where they are. Don't expect change or resolution, particularly in the beginning. Ask them to challenge themselves but be conscious of group dynamics to ensure you aren't pushing too far.

Endnotes

1. Tanenbaum Center
Link: <https://tanenbaum.org/programs/workplace/workplace-resources/religious-diversity-checklist/>
2. "Disabilities in the Workplace," Working Mother Research Institute Link:
3. "2017 Corporate Equality Index," Human Rights Campaign
Link: https://assets.hrc.org/files/assets/resources/CEI-2017-Final.pdf?_ga=2.115837382.1149198402.1505931364-667962202.1505669076
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Link: <http://www.hrc.org/resources/the-cost-of-the-closet-and-the-rewards-of-inclusion>
5. Kruse, Kevin, "What is Employee Engagement," Forbes.com, June 22, 2012
Link: <http://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why/>
6. United States Department of Veteran Affairs, Diversity and Inclusion Strategic Plan, Fiscal Years 2017-2020

- Define and understand the impact to workplace, organization. The first step is acknowledging and understanding there is workplace impact. Identifying the impact is critical to begin your action planning.
- Identify two to three priorities which are actionable and that the group can control.

Conclusion

Creating an inclusive workplace starts with understanding difference and having clear guidelines for communications and workplace benefits for people from under-represented groups, especially those that are sometimes considered more controversial, such as transgender employees and those from religious minorities. These are difficult times and being frank about one's identity—or asking questions about someone else's identity—can be fraught with stress. Still, companies where employees are open about their multiple identities and comfortable discussing who they and their co-workers are find increased engagement and teamwork, as well as improvements in retention.

From Policy to Practice Supporting Your Trans and Gender Non-Conforming Employees

BY STEPHANIE BATTAGLINO • Founder & Owner, *Follow Your Heart*, LLC, and Solutions @ Partner

When it comes to measuring a company's level of inclusion for its LGBTQ employees, the discussion typically gravitates to the HRC's (Human Rights Campaign) Corporate Equality Index, or as it is more commonly referred to, the CEI. First published in 2002, the Index has consistently challenged companies to move forward with creating and instituting policies that protected their LGBTQ employees from workplace discrimination and harassment.

This continual raising of the bar has benefited thousands of LGBTQ employees, and in recent years, it has specifically come to the aid of transgender and gender non-conforming (GNC) individuals through its requirement that, among other things, trans-inclusive health benefits be made available within the company's health plan coverage.

The 2017 CEI report contains the largest number of companies—515—that have garnered that coveted perfect score of 100, and with it the right to promote themselves as one of “the best places to work for LGBT equality” in the CEI's history. Regardless of the measurement, progress on LGBTQ workplace inclusion has been clearly and definitively made and that is something everyone can be very proud of. However, just because this new plateau has been reached doesn't mean the work is finished.

The LGBTQ community has been the target of repeated attacks—both literally and in countless state and local legislatures across the United States—by those seeking to take away the gains that have been made in recent years. The good news is that many companies have taken the lead in standing up to this barrage, and the power that creates cannot be overstated. As we navigate this challenging landscape, the LGBTQ community needs its allies more than ever.



For companies to remain strong and vigilant in this struggle—and do right by their LGBTQ employees—it is of the utmost importance that they take stock of where they have been and where they still need to go on their journey toward a safe and welcoming workplace for their LGBTQ employees, especially those most vulnerable—transgender and GNC individuals.

For many of you reading this, the policy phase of the journey has been completed. Non-discrimination and EEO policies have long been amended to include protections for sexual orientation, gender identity and gender expression. In some companies, even comprehensive transition guidelines designed to create an environment of support and collaboration for transgender employees, have also been adopted.

A new phase of work that is equally, if not more, important must begin, if it hasn't already: moving from policy to practice.

The reality of the matter is that for many companies, the next chapter of the workplace inclusion story will involve focusing on taking the necessary steps that will breathe life into the foundational policies they have established. For

the most part, this will require more practical guidance for HR and D&I professionals, so that they can become more comfortable working with LGBTQ individuals, like a transgender-identified person, for instance—perhaps for the first time in their life.

You may be asking yourself—What *kind* of practical guidance? This guidance falls into the “*Three C's*” of LGBTQ workplace inclusion:

- **Communication & Language**
- **Cultural Acuity**
- **Continued Education**

Let's briefly look at each.

Communication & Language

Communication is the most basic of workplace skills, but it can often be the most overlooked. When viewed through the lens of LGBTQ workplace inclusion it is even more important. Communicating sincerely with authentic intent, accompanied by non-verbal cues that send the message that you really do care is something that you might view as quite elemental. But to the LGBTQ employee—be they established or a new hire—it is an affirmation of their true self. This of particular importance when interacting with a trans/GNC employee.

The importance of “getting the language right” cannot be overstated because for many managers, doing the right thing involves not wanting to embarrass themselves or insult their LGBTQ colleagues by using incorrect or inappropriate words—like pronouns, for example. To be sure, that can be rather daunting for the uninitiated, but here’s the thing: when in doubt about what to say—just ask. By doing so you send a loud and clear message of respect—and affirmation—to your LGBTQ colleague.

Cultural Acuity

When it comes to your company’s culture, it is important to remember that no workplace inclusion effort can occur in a vacuum. Your strategy and tactics should be developed and executed against the backdrop of your company’s culture—and only you know what that is. But to be successful in bringing wider LGBTQ workplace inclusion policy into common practice it will require you to become a student—if you aren’t already—of that culture. Only the culturally savvy individual—regardless of whether you are an HR or D&I professional, employee resource group leader or manager—will know how to successfully navigate this culture to build alliances with effective executive sponsors and business unit leaders who can further the cause of LGBTQ workplace inclusion.

A word of caution: be mindful of ingrained bias—both conscious and unconscious—towards these groups. It is precisely this bias, regardless of your CEI score and adopted policies, that can inhibit your LGBTQ employees from participating fully in ALL of the opportunities available to them within the enterprise

such as leadership and career development initiatives and opportunities for movement across business units and work teams.

Continued Education

In the end, diligence, persistence and continued education will carry the day as you embark on the objective of imbuing your organization with the special type of compassion that is required to ensure that your workplace practices the tenets of LGBTQ inclusion that your policies outline. Make no mistake about it, regardless of ever-increasing levels of visibility for the LGBTQ community in popular culture, the need for education across the entire spectrum is great—and will remain so for a long time to come. Avail yourself of the plethora of resources that are available across the Internet. There are many fine LGBTQ-focused organizations that have made it their mission to educate the public at-large on the characteristics of the community and the issues that it faces.

They include:

PFLAG • www.PFLAG.org

HRC • www.HRC.org

National Center for Transgender Equality
www.transequality.org

Out & Equal Workplace Advocates
www.outandequal.org

Straight For Equality (a program under the PFLAG umbrella) • www.straightforequality.org

When all is said and done it is only education that can eliminate fear and ultimately sow the seeds of acceptance for all—both inside and outside of the workplace.

Stephanie Battaglini, the founder and owner of Follow Your Heart, LLC, is an internationally recognized speaker, workshop presenter, trainer, and workplace diversity & inclusion consultant focused on creating transgender inclusive workplaces.

She currently sits on the Board of PFLAG National, and has served on the Board of the LGBT Community Center of New York and the Transgender Legal Defense & Education Fund (TLDEF). She also is a past member of the Transgender Advisory Committee of Out & Equal Workplace Advocates.

As a corporate vice president at a major New York-based financial services company, Stephanie has more than 35 years of management and leadership experience in marketing, advertising and communications in Corporate America.

CASE STUDY

American Airlines Communicates Leadership D&I Messaging

STEPS TO SUCCESS

- ❶ Ensure senior leaders are consistently included in communications and events around D&I
- ❷ When having events, make sure there are practical takeaways and follow-ups, not just philosophic discussions
- ❸ Don't be wedded to a format for events. Survey your audience and see what is working (length of program, audience, agenda)

One of the greatest challenges companies face is getting large numbers of employees to understand the importance of D&I to the culture and to the business. American Airlines, a longtime D&I leader, has a solution to share with other companies – it's annual Inclusion Summit, now in its second year.

"One of the things our team has a real passion about is how you translate diversity and inclusion from a leadership strategy to success in a frontline team member's daily life," says Melissa S. Wallace, Senior Manager, Diversity & Inclusion.

The Summit, held at the American Airlines Training and Conference Center in Fort Worth, Texas in late June, was aimed at a variety of employees – entry to mid-level supervisors and managers. Held on just one day last year, a second day was added this year in order to repeat the agenda for a new audience and get more mid-level leaders involved. Over the two days, about 500 team members participated. Coming primarily from the United States, there were also representatives from global operations, including South America, Europe and Asia.

"Our real goal is to make sure that we reach each of our lines of business and that attendees walk away prepared to put what they learn into practice and share it with their colleagues who could not attend," says Wallace.

The focus this year was on the new leadership attributes model rolled out by senior leadership. The model has five attributes – **Caring** (*We care about all team members*), **Collaboration** (*We succeed as a team*), **Development** (*We build future leaders*), **Results** (*We drive to be the best*), and **Future** (*We continuously change the status quo*).

"We felt this was a way to connect inclusive behavior with leadership attributes and roll the strategy into training. The focus is on inclusive behavior. What does that

look like for this audience? We are making sure that whatever we do at this summit is not high-level esoteric stuff but connects back to the audience with literal actions about what they can do tomorrow," she says.

The summit included reflection time and table activities. It started with a level set around unconscious bias and how people listen and have conversations.

Senior leaders held TED-type talks and connected what happens on a daily basis back to those leadership attributes in action from their personal perspectives. One executive vice president, for example, showed how managing a group too tightly didn't allow them to be creative.

Deloitte's Six Signature Traits of Leadership—**Cognizance, Curiosity, Courage, Cultural Intelligence, Commitment and Collaboration**—were featured as well as a module on validating trust.

After a theatrical group called Breaking Ice showcased uncomfortable topics, and how unconscious bias plays out in our daily work life, participants had a deeper dive. "They took our leadership attributes and talked about what attribute they lead from and how that looks. They also focused on what leadership attribute they have the most difficulty leading from and then learned best practices from each other." Wallace recalls. Participants received a downloadable app with all the resources and presentations and closing comments from Chairman and CEO Doug Parker.

The company intends to expand the summit, separating the days so it can be offered at different times of the year. There are no plans for a virtual summit "because we think having folks in the room and being present is one of the big impacts of the day," Wallace says.

They are reaching out through the app, which is updated all year, to get feedback and share actionable items.

Northrop Grumman Encourages Employees to Self-ID

STEPS TO SUCCESS

- ① **Ensure your HR system has the capability to allow people to voluntarily identify as a member of the group you designate**
- ② **Communicate through video, Intranet and managerial discussions the value of self-identification and the protections for those who choose to self-ID (anonymity guarantee)**
- ③ **Track results of self-ID and publish them quarterly (in aggregate) and use the information to increase employee outreach, education and market penetration of these groups**

Bias – overt and unconscious – can still exist in the workplace. By identifying people in under-represented groups and developing initiatives to help them, companies can improve their engagement, retention and, ultimately, ability to compete. Data on under-represented populations also helps employers to identify their gaps and progress. Some companies grapple with the ability to quantify people who aren't as easy to identify -- specifically, LGBT people, people with disabilities and veterans.

Northrop Grumman has addressed this issue and learned valuable lessons, says Kurby Hodges, Diversity & Inclusion Manager. In 2014, federal regulations encouraged contractors to report numbers on people with disabilities and veterans. The first step was to insure the Human Resource Information System had the capability to allow people to self-identify as a member of either or both groups. Next, Northrop Grumman started its first campaign, "Inclusion Starts With You" to alert employees to the need to identify. This included video vignettes and an inclusion website.

Hodges clarifies the difference between self-ID "the act of confidentially and voluntarily identifying status ... through our self-identification process" and self-disclosure "the process of communication by which one person reveals information about them self to another."

In September 2016, Northrop Grumman relaunched the self-ID plan and included LGBT employees. The first step? Go to the employee-resource groups (ERGs) and get "a voice of the people (employees)." Northrop Grumman held focus groups with the ERGs and asked what kind of self-id questions should be included and how should employees be able to respond?

The "Count Me In" campaign explains why employees are helped by self-identifying, how the company benefits, what the impact is, and how people's identities are protected. The subsequent initiative to launch the campaign included videos and website information. Personal stories were a hallmark of the campaign.

Northrop Grumman ensures the privacy of those submitting data and all data reported to the government or used for company purposes (such as analysis of benefits) is in aggregate form.

Since the campaign launched, the company has reported increases in the amount of LGBT employees and people with disabilities. Next steps include communicating results quarterly across the company, featuring the information and stories on the new employee on-boarding website and sharing information with the employee-resource groups.

"Knowing our numbers helps us improve services and products for all employees," Hodges says.

EMPLOYEE RESOURCE GROUPS

The Vital Component in D&I Strategy

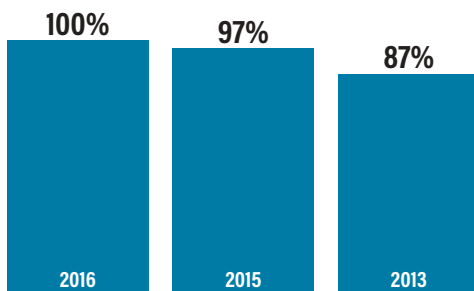
Employee resource groups have been around for decades in various forms, starting as networking groups (affinity groups) and most recently being used to connect with clients and customers and drive business results (business resource groups).

Their importance to the recruitment, talent development, marketplace, procurement and community aspects of your business cannot be underestimated. They generally fall under the supervision of the Diversity & Inclusion Department and often have input (and executive sponsors) from the highest levels of the organization.

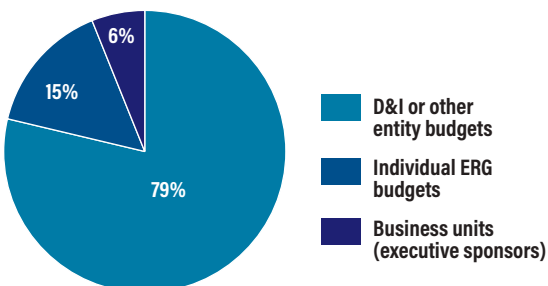
Learnings From DBP Inclusion Index

PROGRESS REPORT

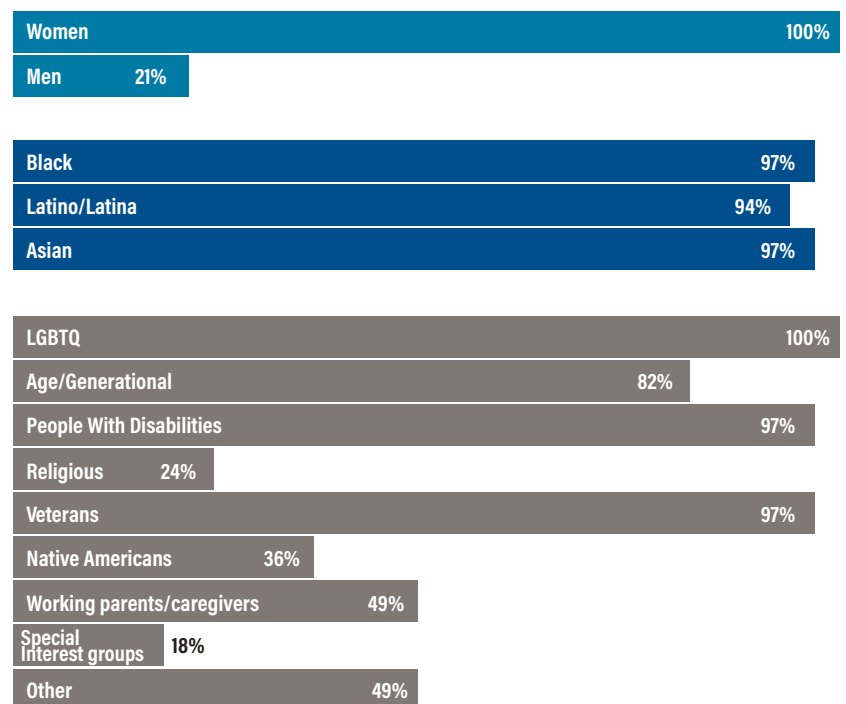
% of Companies That Fund ERGs



2016 How Companies Fund Their ERGs



2016 % of Companies Offering These ERGs



IN THIS CHAPTER

For companies new to or in early stages of D&I

- How do you make the business case for establishing ERGs and when in your D&I development stage should that come? Which groups should be your first?
- What charters or guidelines work best when establishing ERGs?
- How do you find the right executive sponsors and get them interested in the groups?
- How do you find and develop leaders for the ERGs?

For companies advanced in D&I

- Do we still need ERGs or has the rationale for affinity-based groups become irrelevant?
- How can ERGs best contribute to marketing/client/customer interactions, supplier diversity and community development? How can you measure their success accurately?
- How do you develop long-term succession planning for each ERG that helps find hidden talent and high potentials and keeps the groups viable?

Part I: For companies new to or in early stages of D&I**WHAT IS AN ERG AND WHAT SHOULD WE CALL IT?**

The first ERGs (Employee Resource Groups) were actually “Workplace Affinity Groups” created in response to the racial strife of the 1960s. Joseph Wilson, the former Xerox CEO, developed the concept following race riots in Rochester, N.Y. in 1964. Wilson and his black employees designed and launched the National Black Employees Caucus in 1970 to address racial tension and the issue of workplace discrimination. The idea was a success at Xerox and the original group was followed by another focusing on the needs of women.

The first ERGs had difficulty gaining a foothold in the corporate world because of management fears that they would lead to workplace problems. However, as managers and workers began to see the value of diversity and inclusion during the 1980s and 1990s, ERGs became more prevalent¹. Today, approximately 90 percent of the Fortune 500 companies have one or more ERG.”²

Originally, called affinity groups or networks, the term employee resource group has become increasingly popular as they demonstrate their value in recruitment, leadership identification and development, employee engagement, client/customer interactions, marketing and community involvement. In recent years, the term “business resource group” or BRG has become increasingly popular to emphasize their direct relevance to business goals and driving market growth and profitability.

ARE YOU READY FOR ERGS?

Please note that we recommend not proceeding with ERG planning if you do not have an approved D&I strategy. A solid D&I strategy clarifies the governance structure of a D&I program, defines the roles of the D&I team members, and explains how the D&I program links with the company’s overall strategy. If you proceed with ERG planning without a D&I strategy, you will have difficulty integrating your ERG plan with your company’s strategy and the non-existent D&I strategy. This will make it difficult for you to demonstrate how your ERG advances the company’s strategic objectives.

- Whether you’re assessing your ERG readiness or developing a diversity and inclusion strategy, you should begin the process by asking the following questions:
- How has your organization historically addressed diversity and inclusion throughout the decades?
- Where is the organization today and where should it be in 2020, 2050 and beyond?

- What policies and/or practices currently exist in your organization to support diversity and inclusion?
- How do employees and company leaders view diversity and inclusion? Are they business assets?
- Do existing D&I programs meet company expectations?
- How inclusive is the company culture?

You will have to employ a variety of research tools—surveys, interviews, focus groups, and data crunching—to answer these questions. We recommend that you:

- Set up one-on-one interviews with key decision makers and those who can provide insights into D&I at your company.
- Always be mindful that this is the beginning of a long planning process. When possible, keep your interviews brief when meeting with high-level executives and subject-matter experts. If you find you can proceed with ERG planning, you will want to meet with them again.
- Make sure that everyone you meet with understands where you are in the process and socialize them to the idea of ERGs.

MISSION STATEMENTS, CHARTERS

The best ERG programs typically have a set of guiding principles that defines parameters and clarifies the fundamental responsibilities of every ERG in their organizations. The Massachusetts Institute of Technology's "Guiding Principles for ERGs" is an excellent example of a succinct, well-defined collection of standards. Their brevity and clarity communicate exactly what the Institute expects of its ERGs:

- All ERGs are open to all employees
- ERGs promote diversity, openness, and inclusiveness
- ERGs adhere to MIT's policies and procedures
- ERGs should provide long-term business benefits to the Institute and professional/personal benefit to participants²

The best programs also embrace three behaviors that permeate their operations and reinforce the value they bring to their companies. The most productive ERGs:

- Communicate often and effectively to stakeholders to ensure their constituencies and company leaders understand what the ERGs are doing and how they are benefiting the company and their members
- Are always mindful of the needs of their stakeholders and consult their constituents regularly, evaluate their efforts continually using an objective self-assessment mechanism, and respond to stakeholder concerns with timely actions.

3 TIPS FOR EARLY STAGE D&I STRATEGY

- 1 Assess organizational readiness and the maturity of your D&I initiative before considering starting your first ERG**
- 2 Gain buy-in from senior leadership by demonstrating potential business value of ERG (recruitment, talent development, engagement, marketplace connections, community support)**
- 3 Establish guiding principles of inclusiveness and a business-related mission statement for each ERG. Inclusiveness principles will be universal and will include ERGs open to everyone. Mission statements may be individualized**

- Focus on their well-defined goals and objectives, actively and productively serving their constituents in multiple arenas³

The components of an effective ERG structure include:

- A mission statement, which defines the purpose of the ERG
- A set of goals and objectives, which identifies the steps the ERG will take to achieve its mission
- A charter, which delineates procedures for working and communicating with diversity staff, senior leadership, human resources, the workforce, the diversity and inclusion council, other ERGs, communities and outside organizations
- Clarifying rules of operation and governing (selection of officers and descriptions of their powers and responsibilities; management of elections; criteria for membership eligibility; budgeting; and

procedures of applying for membership, amending the charter, resolving conflicts, and scheduling and holding meetings)

FIRST GROUPS, EXECUTIVE SPONSORS AND LEADERSHIP SUPPORT

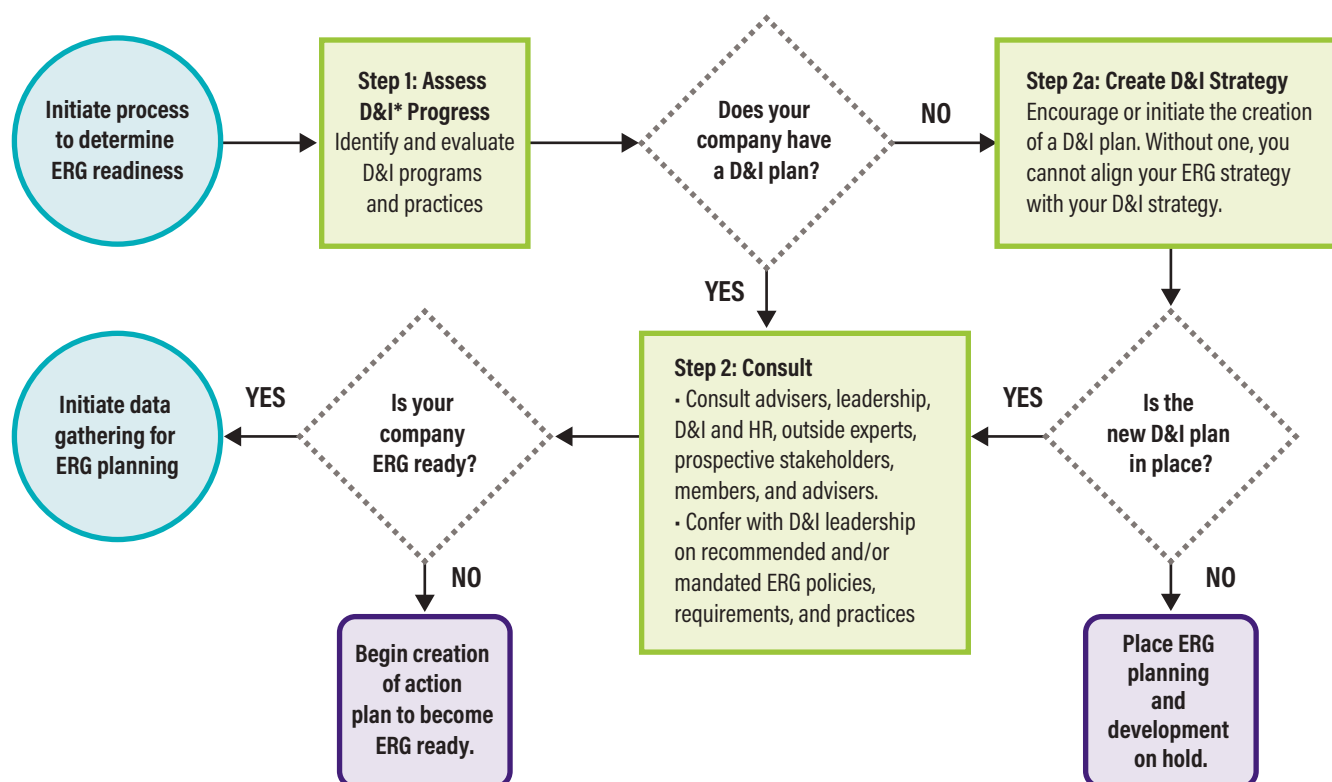
To start, pick groups that you have the most affinity with and that resonate with your business.

Actively recruit the company's senior leaders to serve not just as executive sponsors, but as members as well. Attracting top executives to your membership will give access to valuable company information, enhance your credibility, help you obtain resources and company support, and strengthen your ERG's effectiveness as an advocate for your members and the population you represent.

When you begin your search, your first instinct should be to aim high. Do not underestimate the value of the position to potential executive sponsors, and do not be

Chart 1:

PROCESS FOR DETERMINING READINESS



surprised if you are inundated by candidates once the word gets out that you are on the hunt. Executive sponsor is a prestigious position in many organizations. In addition, do not be surprised if no one jumps at the opportunity. The concept is new to some, and you may have to educate a few people about the exceptional opportunity of which you are making them aware. Most of all, be bold in choosing whom you consider. Aim high: Your company's CEO would likely be a good place to start.

Once you have found an excellent candidate, the challenge is to convince him or her to come on board. Recruitment of senior executives should be approached strategically and in consultation with other D&I leaders and, if appropriate, your diversity executive council. Your first task is to demonstrate the competence of your ERG, the soundness of its planning and mission, and its potential to advance the company's interests. This should be your focus, because, for personal and professional reasons, your candidate will want to back a winner. Consequently, your ERG will have to prove it is worthy of his or her advocacy, time, and commitment.

Part II: For companies advanced in D&I

When Deloitte announced a decision to phase out their affinity-based employee resource groups and replace them with inclusion councils made up of employees from different backgrounds to work on diversity issues, there was a lot of discussion around the virtual water cooler about this and what it means for the future of diversity and inclusion. Much of the debate centered on whether this move is the only, or "right" way to address the reasons behind their decision: millennials "don't like demographic pigeonholes" and white men feel left out.

Does it have to be an either/or or can it be a both/and? No, it can be a both/and situation in which an organization can create a structure for employee resource groups that addresses the needs of underrepresented groups while at the same time leaving room to explore issues of intersectionality and providing the majority group a way to participate. This is not easy. However, it can be done.

People from underrepresented groups are still underrepresented in most of the corporate world, especially in more senior levels of the organization. People from underrepresented groups need a way of finding people like them to avoid feeling isolated and to boost engagement. The data is compelling in support of ERGs as a lever for employee engagement. Almost 78 percent of 18-24 years olds and nearly 84 percent of 25-34 year olds report that ERGs have a positive impact on engagement. Additionally, these groups serve as important links to workforce attraction (employer branding strategy), career advancement and development and support, marketplace and community by providing a space for people to come together and address these key factors through a specific cultural lens.

3 TIPS FOR ADVANCED D&I STRATEGY

- 1** Ensure your ERGs are factoring inclusiveness and intersectionality into their decisions and their communications so the entire organization feels connected to their work
- 2** Establish qualitative and quantitative metrics that reflect the maturity and status of each individual ERG and measure them against themselves, not each other, i.e. numbers of business relationships or lead generations created by a ERG or number of business events (internal or external) sponsored by an ERG
- 3** Consider ways to involve mature ERGs in direct business areas—innovative marketplace solutions, team-building/ engagement issues, addressing hot-button issues, i.e. political or hate speech at work

However, we cannot ignore the topic of intersectionality and the multi-dimensionality of our workforces. Managing this will enhance our understanding of diversity and the new perspectives, attitudes and ideas it will introduce into ERGs will make them more innovative. One approach to this is to actively recruit colleagues who do not share the ERG's identity. The best employee resource groups offer multiple points of entry for colleagues who are not of the same affinity group to get involved and learn from them. This will help spread the message and prevent employees from feeling left out.

Cross-collaboration between employee resource groups is another way many organizations are building a more inclusive environment. Generational and Young Professionals ERGs have also been a place for people of different genders, sexual orientation, race and ethnicities to come together and explore intersectionality.

There are many organizations that are creating employee resource groups, in addition to their affinity-based groups, that address a specific focus area for the organization. For instance, American Airlines and Capgemini both have ERGs that address corporate social responsibility and community service. VF Corporation has an ERG that focuses on employee engagement. Boehringer Ingelheim has discipline-based ERGs, one for pharmacists and one for nurses.

Many ERGs choose to have executive sponsors who are not of the same affinity, often white, straight cisgender men. These sponsors are charged with leveraging their influence as senior leaders to push forward the D&I agenda and to engage additional senior leadership in the conversation. This, along with robust allyship programs are powerful ways to engage colleagues who represent the majority at an organization.

LEADERSHIP DEVELOPMENT

A crucial value ERGs bring to the company is the ability to find and develop leaders who might not otherwise be on the track executive positions. These “diamonds in the rough” often need leadership development programs and coaching/mentoring but also learn significantly from their experiences moving up in the leadership ranks of the ERG.

One issue companies are still addressing is that development plans for ERG leaders at many companies have focused primarily on their ERG responsibilities,

and only a small percentage of ERGs have formalized development plans for their leaders. Those that do are not always aligned with a company's organization-wide leader development and talent management programs.

For example, the professional development activities for the ERGs at Kellogg's at one time were separate initiatives run by each ERG with little collaboration among them. While the sessions offered were often useful, they lacked alignment with Kellogg's broader business strategy and diversity goals. When Kellogg's made the decision to transition to an appointment process for its ERG leaders, part of the decision involved being able to better align the development of ERG leaders with the company's broader development initiatives.

An ERG's level of responsibility in grooming and developing future leaders should always be a key aspect of its value proposition, not only to the organization but to its members as well. The effectiveness of an ERG in developing leaders should be assessed and reviewed periodically and ultimately should weigh heavily in any decision related to the ERG leadership selection process.

Below are the common characteristics companies are using in determining ERG leaders:

- High performance
- Business credibility
- Strategic mindset
- Ability to develop others
- Building effective teams

MARKETING

Supporting marketing and sales is central to demonstrating ERG value to company leadership. Leading-edge ERGs are intensifying their efforts to create innovative programs to drive commerce. ERG participation in commercial functions is becoming more formalized as a growing number of companies create official advisory councils to support marketing. Many ERGs are developing their own marketing plans to advance commerce in three areas:

- Product innovation: reviewing and generating ideas for new products and services

- Market penetration: providing insights and proposals for expanding the company's presence in markets patronized by their affinity group
- Direct sales: developing and implementing consumer referral programs

ERGs at Allstate, for example, engage in a variety of activities to advance sales and marketing at the insurance giant. In 2013, the company's ERGs:

- Obtained leads by partnering with Allstate agents at local cultural events
- Participated in numerous marketing campaigns
- Promoted the Allstate brand at veterans' events
- Educated departments about the potential marketing and sales opportunities in various ethnic groups
- Provided strategic recommendations to increase market share in the Hispanic customer segment and guided efforts to improve the service experience for Hispanic customers
- Promoted the Allstate brand at the Chicago Pride Parade
- Participated in new product focus groups⁴

Kellogg's Multinational Employee Resource Group (KMERG) sponsored an Emerging Markets India Innovation Challenge in March 2015. The idea for the challenge came out of a meeting between KMERG leaders and John Bryant, Kellogg's Chairman and CEO. KMERG invited employees to submit innovative food ideas that would help spur growth in India. Participating teams worked closely with marketing to develop and refine their ideas. A total of 22 new food ideas were presented to Kellogg leadership at the Emerging Markets Innovation showcase. Three were chosen as winners.⁵

METRICS

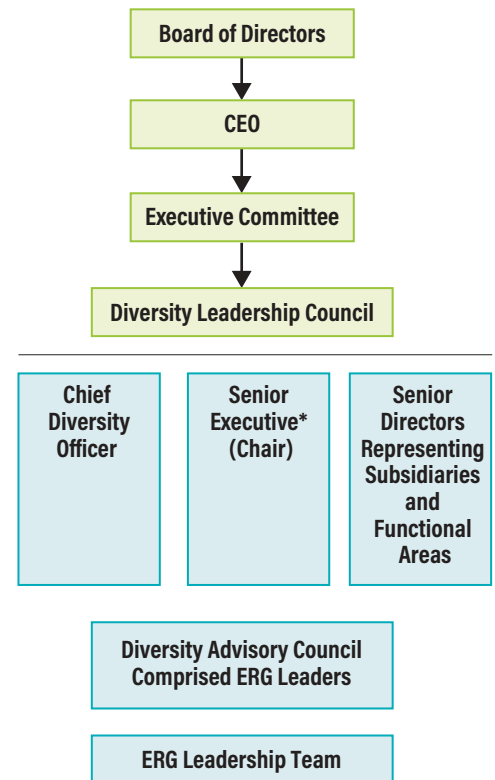
Companies like Capgemini (*see case study*) are increasingly individualizing metrics for ERGs to reflect their levels of maturity. Still, there are certain basic metrics that your ERGs should be benchmarking annually to assess progress.

The first step is to make certain that your ERG has the attributes that effective metrics require:

- Have a mission statement that states the ERG's purpose
- Have a clear understanding of the gaps and issues to be addressed by the group
- Prepare and maintain an annual or strategic plan that enumerates all the activities and events planned

Chart 2

Example of D&I Organizational Chart Including ERGs



Endnotes

1. Employee Resource Group Roundtable: "How Impactful Is Your ERG?", A Catalyst Event, July 10, 2014
Link: <http://www.catalyst.org/events/employee-resource-group-roundtable-how-impactful-your-erg>
2. MIT Employee Resource Groups (ERG): Report on the ERG Pilot Year. Massachusetts Institute of Technology, (No specific date of publication is listed; however, we can speculate that the report was released in late 2014 or 2015, because of dates used in the document and the fact that the pilot year was the 2013/2014 academic year).
Link: [www://hrweb.mit.edu/system/files/erg_pilot.pdf](http://hrweb.mit.edu/system/files/erg_pilot.pdf)
3. Robert Rodriguez, "ERGs: a Primer: How to elevate the influence and value of employee resource groups," Diversity Executive, September 11, 2011
<http://diversity-executive.com/articles/view/1301>
4. Allstate, Employee Resource Groups 2013 Annual Report, June 2014
<https://www.allstate.com/resources/allstate/attachments/diversity/2013-annual-report.pdf>
5. "Kellogg Multinational Employee Resource Group Sponsors Innovation Challenge with an Indian Twist," Kellogg Diversity and Inclusion Report 2015 http://kelloggdiversityandinclusion.com/reports/2015_KelloggDIRReport.pdf
6. Hastings, Rebecca R. "Measure Employee Resource Groups to Yield Business Results," Society of Human Resource Management, October 1, 2007 (last accessed June 4, 2016) https://www.shrm.org/hrdisciplines/diversity/articles/pages/cms_023310.aspx#sthash.bIMIDEXr.GA4EJeF8.dpuf (last accessed September 14, 2016)

- Have an assigned sponsor who is an officer reporting to the company president or CEO and a sponsor-evaluation process

SHRM (Society of Human Resources Management) recommends ERGs focus on three main areas of measurement:⁶

- **Profitability:** Is your ERG helping the company become more profitable? Are you seeking out ideas for new products and services? Are you working closely with the marketing and sales organizations?
- **Productivity:** What is the ERG doing to enhance the skills of your members to help them become more productive in what they do? How engaged is your ERG in promoting leadership development, self-promotion skills, and time-management abilities?
- **People:** Does your group employ its unique perspectives to support recruitment, retention, engagement and advancement of employees?

Your metrics must be credible; provide evaluative and qualitative measures; and make a strong case for your ERG's value to the business by generating revenue, reducing expenses, enhancing the workplace, improving your brand, and, of course, advancing diversity and inclusion.

Conclusion

ERGs bring great value to organizations in terms of finding and developing talent from under-represented groups, raising levels of awareness, engagement and inclusion throughout the organization, reaching new and existing markets, connecting with clients and adding to business development and increasing community and procurement opportunities.

But in order to succeed, they must be established at a time when an organization has a successful D&I strategy in place and with delineated best practices including charters, mission statements, executive sponsors, budget support and clear communications and goals/metrics.

Robert Wood Johnson University Hospital Uses BRGs to Reach Community

- ❶ **Have groups educate the entire employee population about the under-represented population**
- ❷ **Relate employee-resource group goals to business necessities/goals**
- ❸ **Link success to business metrics, such as financial performance, employee and customer engagement, and marketplace positioning**

For hospitals in diverse communities, successful communication and the appropriate delivery of culturally competent and patient-centered care remain vital components for optimal care outcomes. Sometimes, however, it's difficult to understand the needs of different patient populations because of cultural differences.

At Robert Wood Johnson University Hospital (RWJUH) in New Jersey, that's where the Business Resource Groups (BRGs) make a huge impact. BRGs have been in existence for 20 years, and at RWJUH they were introduced as an essential part of the organization's Diversity and Inclusion strategy, which began in 2012.

"They have been a critical factor in getting employees engaged and reaching into our diverse communities," says Vanessa Nazario, Director, Diversity and Inclusion at RWJUH. RWJUH has seven BRGs focused on several cultural affinities: women, African Americans, Asians, Latinos, Veterans, LGBTQ, and emerging leaders.

For example, the LGBTQ group, PROUD (Promoting Respect, Outreach, Understanding and Dignity) has been instrumental in helping the hospital reach out to the LGBTQ community, especially the transgender community.

In 2015, Nazario says, the hospital recognized that many of its local transgender residents were going out of state for healthcare needs. "We did a business analysis and saw there was a need here that was simply unmet," she says.

The hospital launched its first LGBTQ- focused family practice with guidance from the BRG and key LGBTQ organizations. Today, the Proud Family Practice at RWJUH Somerset, in Somerville, N.J. includes hormone therapy and monitoring, HIV care, health education and counseling, and support groups for family members of transgender individuals.

In addition to the success of the PROUD BRG, the Veterans BRG played a tremendous role in supporting an initiative that supported social workers in providing referral services including transition of care, housing, and employment for Veteran patients.

The BRGs, which originally started out as groups of employees tasked with supporting diversity and inclusion initiatives, have evolved into viable resources that respond to an array of opportunities for RWJUH. Furthermore, they are important groups that help to support Business Impact Projects that are linked to key organizational metrics— financial performance, employee and patient engagement, and marketplace positioning.

CASE STUDY

Capgemini Measures ERG Results

STEPS TO SUCCESS

- ① Tie ERG metrics to their maturity level and individualize them for each group
- ② Allow the ERGs to self-assess how successful they are and where they need more support
- ③ Ensure metrics are directly linked to business goals, such as client interactions and presentations

While most companies have employee-resource groups (ERGs) these days, few have found a satisfactory way to measure their impact on the business. An exception to that is information-technology consulting corporation Capgemini.

Capgemini looks at the success of its groups across four areas—commerce, career, community and culture. In assessing the progress and value of its ERGs, the company applied a maturity model so each group is measured based on how long it has been around, says Janet Pope, North America Corporate Responsibility

Director. With the help of Jennifer Brown Consulting, Capgemini developed a scorecard for qualitative ERG measurements.

First, the ERGs did self-assessments and ranked their maturity levels. “It was a little bit of a painful exercise for them. But we got them to a point where we focused their executive sponsors on where they needed the help,” she says.

Questions included such things as “Did you host an event or have a partnership with a client?” as an example of commerce or “Have you provided learning opportunities for ERG members?” under career.

At the end of the self-assessments, groups work on goals and determined where they need executive sponsor support. “Leveraging the 4C model enables our ERGs to measure their year-to-year progress. It helps them make a plan within their budget,” she says.

The self-assessments started last year. “It helps them recognize how to be more balanced as ERGs and see what we think are important for the groups” she notes. A group that might be focused on community events will realize it has



Source: Jennifer Brown Consulting

a deficiency in other areas and, therefore, seek opportunities in learning and development to support career.

Metrics are assessed in each area. For example, under helping the company be more profitable (commerce), metrics include: Number of business events sponsored or co-sponsored, number of new business relationships, collaborations or lead generations, recognition from clients for partnership, number of presentations with clients or at conferences or events, number of activities in line with supplier-diversity goals, revenue and business-aligned targets.

A scorecard measures each ERG in each of the four areas and provides a score in each area with a maximum score of 100.

“Another benefit of the ERG Scorecard is that it has given our program’s leaders and sponsors a common language to articulate an ERG’s performance to its stakeholders and members. A measurement scale, with corresponding scoring, better aligns with how data-driven organizations are accustomed to tracking results,” she says.

The company has 11 ERGs—groups for women, Africans and African Americans, Hispanics, Asians, people with disabilities, LGBT and allies, veterans, Millennials, plus CARES (Community Action, Responsibility and Environment), Mentoring Matters and LIFE (Life Integration for Everyone). Of its 16,000 U.S. employees, about 10% are ERG members.

Sanofi Links ERGs Directly to Its Mission

STEPS TO SUCCESS

- ❶ **Ensure ERG’s mission aligns to business goals**
- ❷ **Use your ERGs to offer practical solutions to employees, such as relevant benefits**
- ❸ **Clearly communicate your ERGs purpose and success stories**

Many companies connect their employee resource groups (ERGs) to business goals but few have ERGs that directly reflect their customers as well as Sanofi, a global life sciences company. In addition to ERGs for women, LGBT employees, multicultural employees, veterans and millennials, Sanofi has:

ParentsConnect, established in 2012, which provides a support system for employees through informal and formal network, mentorships and access to resources

DiabetesConnect, established in 2013, to support employees, caregivers and families impacted by diabetes by providing education, mentorship, support and outreach

CancerConnect, established in 2014, which provides cancer support for all North American employees who have been impacted by cancer through empathy, education, care and experience

CareGive, established in 2015, which provides its members with peer support and access to practical information and resources

“Our nine employee-resource groups support our company and our mission,” says Wema Hoover, Head of Diversity & Inclusion. Sanofi’s D&I Strategic Framework focuses on “Engaging Talent, Enabling Culture, Empowering the Business.” In alignment with this, Sanofi’s ERGs are aimed, in part, at practical solutions for employees.

For example, ParentsConnect helps employees understand what work/life benefits are available to ease their lives and assist with finances, and members learn from other parents. The company tells the ParentsConnect story, along with stories of its other ERGs through Cardboard Stories in which members use storyboards to explain the value they get and provide an introduction to the groups.

“Managing work and life is challenging ... I receive helpful parenting resources and strategies ... It’s sometimes hard to keep track of it all. ParentsConnect supports me in this game of tug and war,” says one member of that ERG in a Cardboard Story video.

CONNECTING WITH COMMUNITY:

Corporate Social Responsibility and Supplier Diversity

Increasingly, companies understand they do not operate in a vacuum and business decisions can impact people in the communities they serve, especially those in need.

The corporate footprint on the community benefits the company as well through increased positive market awareness of a brand, ability to recruit talent (especially Millennial talent) who want to work for organizations that help others, and higher employee engagement. Supplier diversity, both with direct contractors and subcontractors, also increases market awareness and support and often leads to innovative solutions gained through a diversity of vendors.

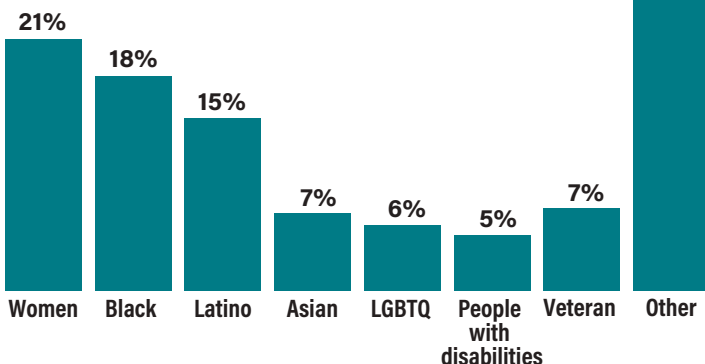
The questions for companies seeking to link their D&I efforts to reach underserved communities with both Corporate Social Responsibility (CSR) and procurement (supplier diversity) initiatives are what are the most effective ways to work with different areas (CSR, procurement, foundations) within your organization, how to best find and support the communities you serve, how to measure success in this area, and how to communicate your efforts and progress internally and externally.

Insights from the 2017 DBP Inclusion Index

PROGRESS REPORT

Philanthropic Giving

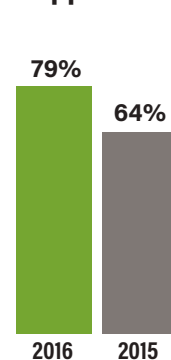
Percentage of the Total Spend on D&I Organizations Representing the Following Constituencies



Has Formal Supplier Diversity



Require Tier II Supplier Diversity



IN THIS CHAPTER

For companies new to or in early stages of D&I

- How do you effectively link CSR efforts to your D&I initiative, both internally and in reaching the underserved marketplace?
- How do you assess if your efforts are successful?
- How do you find diverse suppliers and ascertain if they are certified?

For companies advanced in their D&I work

- How can you use your increasing reputation as a socially responsible organization to recruit young talent and engage your employee base?
- How can you create a sustainable social policy that mirrors your corporate goals and develop suppliers who can be long-term innovative partners?

Part I: For companies new to or in early stages of D&I**CORPORATE SOCIAL RESPONSIBILITY**

According to Harvard Business Review, the purpose of CSR is to align a company's social and environmental activities with its business purpose and value. The term generally applies to efforts that go beyond what may be required by regulators or environmental protection groups.

Corporate Social Responsibility through a diversity and inclusion lens is a strategic approach to the allocation and collaboration of initiatives to attract and retain a diverse work force, encourage engagement and retention and alignment with diversity inclusion strategies to support internal and external stakeholder groups (customers, suppliers, vendors/partners, key community groups) in a measurable and sustainable way.

When first aligning a CSR initiative with D&I, follow these best practices:

- As your employee resource groups develop community initiatives, align them with your marketplace demographics and engage the ERGs for recommendations on engagement in CSR initiatives.
- Consider the brand promise and how CSR initiatives can support the brand through D&I-aligned CSR efforts. For example, ensuring all individuals have access to transportation and insurance coverage by focusing D&I/CSR efforts on educating youth on the importance of healthy and safe driving or how to save and finance a car or understanding different policies. The various ERGs can add a targeted diversity lens and layer to ensure messaging, delivery is effective with the key target audiences reached.
- Intentionally amplify the CSR activities that resonate with key target groups for employer and customer branding in communications and collateral material.
- Promoting CSR initiatives is highly effective for young adults, particularly those from underrepresented populations seeking out businesses and employers whose targeted CSR effort align with their passions and purpose.

Successful examples of CSR-Diversity Aligned Efforts

PNC Financial Services Group - Grow Up Great

PNC has invested \$350 million in Grow Up Great, a multi-year, bilingual initiative that provides leadership, advocacy, funding, tools and volunteers to help parents, caregivers and communities prepare young children for success in school and life. The Harvard Business Review has noted admiringly how PNC has “pruned its disparate CSR programs” and zeroed in on early education with Grow Up Great. In so doing, PNC has made its community involvement easily identifiable to its own employees, which may be the most important element of any CSR initiative as it increases engagement and can improve retention. Case in point: PNC employees have volunteered more than 650,000 hours and donated more than 933,000 classroom items as part of Grow Up Great.

Since 2004, Grow Up Great has distributed more than \$121 million in grants that help young children prepare for school by focusing on readiness in vocabulary development, math, science, financial education and the arts. Through these grants to nonprofit organizations, the program has impacted approximately 3 million children throughout 19 states and the District of Columbia.

Johnson & Johnson's Veterans Initiative

One of the most common ways that organizations are building an ally/advocate culture is through community service initiatives that involve the entire organization. This community service initiative connects employees to the veteran community beyond the company veteran ERG's. The opportunity to educate, connect and learn more about veteran needs while providing a significant community service reinforces the organization's core values and brand eminence.

- The VLC, J&J's ERG for veterans, actively partners with likeminded organizations to address the unique needs of service men and women and their families, especially during the challenging transition back to civilian life. In partnership with the Travis Manion Foundation, the VLC supports the Character Does Matter Program, which assists veterans and families by empowering them to take the next step in their personal journeys and inspire the next generation of leaders
- The VLC leads local high school programs to educate students on character values (e.g. Integrity, Moral Character) and encourages them to participate in community service events, including meal deliveries and veteran home visits.

3 TIPS FOR EARLY STAGE D&I STRATEGY

- 1 Evaluate which CSR efforts most align with your corporate goals
- 2 Communicate often with related departments within your organization so they are fully aware of your efforts, such as the corporate foundation and the procurement department. Supplier diversity usually reports in to procurement, but consider dotted-line reporting
- 3 When looking for diverse suppliers, be careful to use those certified by one of the leading supplier-diversity organizations for each under-represented group

SUPPLIER DIVERSITY

When starting an effective supplier-diversity initiative, it is crucial that your D&I department communicate effectively with your procurement department. Almost all supplier diversity initiatives work out of procurement, since supply-chain expertise is crucial. However, a diversity lens is essential as well, so there is often a dotted-line reporting structure or, at least, very frequent and clear communications.

We recommend the following best practices are essential to a successful supplier diversity initiative:

- Establish clear goals for spend with each community you include (women, MBEs (Minority Business Enterprises), veterans, people with disabilities, LGBTQ people but at least for the first year or two, keep the goals small and focus on building relationships.
- Use your ERGs and community relationships to reach suppliers and potential suppliers (especially small businesses) and educate them on the value of participating in your supply chain. Hold educational community sessions (work with community leaders) to inform them of how to apply to be a supplier at your company and what it entails.
- Establish clear guidelines on what constitutes a “diverse” supplier –some companies include all small businesses but most do not and use this classification for traditionally under-represented groups.
- Ensure when possible that diverse suppliers are certified to avoid fraud or ownership “pass-throughs,” such as men pretending their wives are owners or white employers pretending employees of color are owners. In general, certifying organizations are the National Minority Supplier Development Council (NMSDC) for MBEs, WBENC (Women’s Business Enterprise National Council) for women, NGLCC (National Gay and Lesbian Chamber of Commerce) for LGBTQ people and US Business Leadership Network (USBLN) for people with disabilities. Most organizations recommend that at least 51 percent of the company must be owned by a person or persons from the under-represented group to qualify.
- For new suppliers, offer as much guidance (both on your website and in person/phone/email) as possible to help them through the process. Many have not worked as contractors for corporations before.
- Develop supplier-diversity ambassadors within your organization who can explain and support the value of a diverse supply chain.

Sodexo has offered these tips for companies on supplier diversity:

TIP#1 UNDERSTAND THE RATIONAL

Companies no longer embrace a supplier diversity program simply for the sake of social responsibility or even solely as a way of helping to level the playing field for small or medium size enterprises. Businesses with effective supplier diversity programs understand the opportunity to achieve significant returns on their investment in terms of access to new customer groups and stronger, more productive relationships with their suppliers.

Supporting diverse suppliers, local economies and promoting inclusion are, without question, genuine endeavors for most of these companies. Still, it behooves diverse suppliers to understand a business-centered rationale for why a large enterprise would want to bring it into the supply chain. More importantly, they must be prepared to speak to it with solid data.

TIP#2 STATE THE BUSINESS CASE

According to a 2015 report by Ernst & Young (EY), leading procurement organizations that have a higher adoption rate of supplier diversity programs generate 133% greater return on the cost of procurement operations than average performers. That translates to an additional \$3.6 million to their bottom line for every \$1 million in procurement operations costs.

Nothing in a proposal will be more compelling than speaking to the bottom line. The EY example represents a single compelling data point for why a Fortune 500 company might consider adding diverse suppliers. The savvy business development professional will have a bevy of such stats under the belt when going in for the pitch and for the close.

TIP#3 DO THE HOMEWORK

‘Sodexo’s diverse vendors are supported through multiple resources including education on the benefits of becoming a certified diverse vendor, maximizing the benefit of certification with other current and potential customers, mentoring, and a dedicated team that tracks diverse internal spending with an eye to increasing it annually.

Solid due diligence on the prospective company not only helps the supplier understand the resources available for developing an informed proposal, it also provides a window on what it will be like to work with the partner once the ink has dried on the contract.

One company that has made significant inroads and won numerous awards in supplier diversity is Sodexo. “Sodexo’s global supplier diversity initiatives are a key element of our supply chain strategy and success. The use of vendors that mirror our community is good for the economy, beneficial to customers, and key to our competitive advantage. Our diverse vendors benefit through exposure and our sharing of best practices to help them succeed,” says Lorna Donatone, CEO for Geographic Regions and Region Chair for North America, on the company’s website. The company currently partners with 2,183 diverse suppliers, including businesses owned by women, minorities, LGBTQ people, veterans and people with disabilities.¹

What are the next steps in CSR and supplier diversity once you have mastered the basics?

Part 2: For companies advanced in D&I

CORPORATE SOCIAL RESPONSIBILITY

The need for business leaders to play an active role in civic affairs is increasing, especially since the government has reduced its involvement and delegated much of its responsibility to the local level. There are many benefits in this, including increased community awareness and a boost in recruitment and employee engagement.

There is significant research showing younger workers want to work for companies they perceive as good corporate citizens. Research by Nielsen shows that for younger workers, the ability “to make a difference and having a strong corporate reputation both also play a role when they consider a prospective employer—especially in emerging markets.”²

According to recent research by the Gallup Organization, Gallup finds that just 18 percent of Millennials say finding a “fun place to work” is extremely important to them. Meanwhile 55% of Millennials are disengaged at work, and 60% say they are open to a new job opportunity. Turnover among Millennials costs the U.S. economy \$30.5 billion each year. And Millennials’ lack of engagement in the workplace costs U.S. companies upwards of \$284 billion annually.

The 2017 Deloitte Millennial Survey found that Millennials tend to feel a relatively high sense of accountability when it comes to “big issues” like protecting the environment and fighting social inequality. Thus “it is primarily in and via the workplace that they feel most impactful.”³

So, if perks aren’t the answer, what can companies do to attract, retain, and engage young leaders?

Recent research from Gallup’s study *How Millennials Want to Work and Live* reveals that what Millennials are really looking for in the workplace is a sense of purpose.

3 TIPS FOR ADVANCED D&I STRATEGY

- 1 Ensure your efforts in both CSR and supplier diversity are effectively measured, documented and communicated externally and internally
- 2 Use your CSR branding as a recruitment tool, especially for Millennials, and as an engagement tool for all employees both in terms of their ability to volunteer and help the community and their pride in your organization
- 3 Increase efforts to help your diverse suppliers grow, have an expanded clientele, and be aware of financial pitfalls

Donald Fan, Senior Director in Walmart's Office of Diversity & Inclusion, sees these trends having a real impact on recruitment. Fan says, "Especially with Millennials, they look for employers of choice on several criteria, including looking for leaders in the D&I space. They ask if companies are good socially responsible citizens and if they truly offer equal opportunities, especially for women and people of color," he says.

One way to measure community relations programs is by their outcome:

- Do they link with educational programs that can aid recruiting, including internship partners?
- Do they access to women and minority talent?
- Do they create new entry points for products or services?
- Do they support community-based organizations or causes that are important to the company or a group of employees?
- Do they connect the company with minority and women suppliers?
- Do they provide external recognition?
- Do they provide media coverage?

SUPPLIER DIVERSITY

Research by The Hackett Group shows that multinational corporations are finding that "by expanding the goals and activities of supplier diversity programs, they can gain access to new markets and more beneficial supplier partnerships." Survey respondents affirmed the importance of a well-developed supplier diversity strategy in meeting revenue goals. The corporations surveyed said up to 10% of sales come with supplier diversity requirements, suggesting that the lack of such a program can result in lost revenue.⁴

One question at this point is whether to have a centralized or decentralized procurement strategy, both in the United States and globally. The Hackett Group research recommends a centralized program, with strong tracking, especially in the United States, where supplier demographics are more easily obtained. The Hackett Group research found that 80% of global supplier diversity initiatives had at least one dedicated supplier diversity manager and companies in the United States with successful programs usually report one dedicated person at least.

SOME CSR BEST PRACTICES

Branding

It is, therefore, critical to brand yourself as an employer of choice who is socially responsible. That means having clear, transparent metrics around your CSI and supplier diversity initiatives and communicating successes and impact clearly externally and internally. Many organizations, including Accenture, Sodexo and Walmart, publish annual documents that showcase their CSR, D&I and supplier diversity initiatives. You can also showcase stories of individuals, groups and suppliers you have helped

It is also important, once you are ready, to apply for reputable rankings of your efforts and communicate your successes.

Giving portfolio

There has been increasing attention paid to socially responsible investment funds and, at many shareholder meetings, in ensuring corporations are not supporting organizations perceived as harmful to the environment or social causes. A way to focus the D&I aspect of socially responsible investing is to align the investment with the organization mission and vision as well as the diversity and inclusion strategy (e.g. growing the market for people with disabilities or Hispanic community). Companies are also directing their contributions to fewer causes, thus avoiding stakeholder confusion and dilution of the corporate social mission.

Metrics

Effective measurement tools are needed to prove how corporate community relations improve the bottom line. To quantify the strategic impact of community relations, leading companies are accounting for every dollar spent while articulating the benefits to all involved. Best-practice companies use research and measurement to evaluate their programs both before and after implementation.

SUPPLIER DEVELOPMENT

Supplier development support not only benefits the suppliers but also helps the corporations by creating stronger and more sustainable suppliers, many of which have the potential to grow.

Many corporations have started internal programs to help their suppliers develop and grow, including financial advice, technical assistance, and ability to connect with other suppliers to merge and grow. Best-practice corporations offer prospective and current suppliers advice and mentoring on how to best deal with the corporation's paperwork, culture and requirements. They also often offer scholarships to programs for suppliers at top schools, such as Northwestern University and Dartmouth College.

A next practice in supplier development is to hone in on the 25 or 50 top diverse suppliers and offer them intense mentoring and guidance—and to alert them if their financials or relationships with your and other companies are declining. Many corporations are eager to facilitate diverse supplier growth by introducing them to other potential clients, so they are not reliant on one revenue stream.

Conclusion

The juxtaposition of corporations increasingly needing to step in to social causes and recruits, employees, customers/clients and suppliers valuing them because of their involvement makes this the ideal time to focus on strong D&I-related CSR and procurement efforts. At all levels, the key to success is clear goals, clear communications and clear metrics.

Endnotes

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Building and Expanding Your Supplier Diversity Program

Four Best Practices from the Women's Business Enterprise National Council (WBENC)

PAMELA PRINCE-EASON

President and CEO and Jessica Carlson, Senior Manager, Marketing and Communications

At WBENC, we are dedicated to fostering diversity in the world of commerce by identifying, certifying, and facilitating the development of women-owned businesses.

As part of that mission, we work closely with our corporate and government members on how to grow and improve their supplier diversity programs. Every supplier diversity program should be predicated on creating the most value for the organization. Whether you are just starting out, or you are looking to fine-tune your program, here are four best practices to help you get the most value out of your supplier-diversity program:

1. Know How to Articulate the ROI of Supporting Supplier Diversity

Supplier diversity is no longer simply a government mandate or matter of social responsibility – it's a propelling economic force and an integral business strategy. As a supplier diversity or procurement professional, one of the most important parts of your role is to help evangelize the value of diversity and inclusion and demonstrate the business case for a diverse supply chain. Like any good entrepreneur, you should have an elevator pitch ready on why working with diverse suppliers creates quantitative and qualitative value for your organization.

We know corporations with supplier diversity programs report benefits that positively impact their bottom line, including providing access to new customers and revenue opportunities, improving customer sentiment, increasing market share, and strengthening supplier relationships. When building a business case for starting or growing a supplier diversity program, include demonstrated business outcomes that are most relevant to your company and its objectives. Best practices and case studies from other corporations can be a powerful tool, but driving home how diversity fits into your company's overall mission and values will be especially compelling.

Expertly articulating the vision and business impact of a successful supplier diversity program will help to secure buy-in from senior leadership, a key indicator of success in best-in-class supplier diversity programs in the WBENC network.

2. Work With the Best Suppliers for Your Business

Supplier diversity is about bringing value to your organization. This means diverse suppliers should be the best fit for your business need and meet the same criteria as any other supplier. There are thousands of WBENC-certified WBEs in every industry ready to scale and do business with corporations large and small. Joining a network such as WBENC, the National Minority Supplier Development Council (NMSDC), the National Gay and Lesbian Chamber of Commerce (NGLCC) or USBLN (for people with disabilities) can be enormously helpful in building and expanding your diversity and inclusion program because it gives you access to those diverse suppliers who are poised to help you succeed.

A critical part of that is certification, the cornerstone of WBENC's value proposition. Certifications help corporations ensure companies you do business with are verified diverse suppliers, meet specific business standards, and are ready to scale to corporate needs.

3. Embrace Networking as a Business Requirement

Networking is an invaluable tool across many areas of business, but perhaps nowhere more so than in the procurement and supplier diversity space. Building an extensive network of diverse suppliers is necessary for your business to succeed..

Take advantage of conferences and networking events, and seek opportunities to expand your network and find diverse suppliers. Consider mentorship opportunities to help existing suppliers increase capacity to better serve your organization. Additionally, networking with other supplier diversity and procurement professionals can be a powerful way to benchmark, identify best practices, and find new diverse suppliers.

Joining organizations such as WBENC, NMSDC, NGLCC and USBLN will help you find those opportunities to expand your network of suppliers, peers and supplier diversity experts.

4. Track, Share and Celebrate Your Success

We firmly believe in top-level support for diversity and inclusion programs, but securing and maintaining that level of support requires consistent measurement and demonstrated progress. As with any corporate initiative, set specific goals, measure and report on your progress, and seek out external recognition for your outcomes. If you are just starting out, establish baseline metrics by looking at your existing supply chain and examining the percentage and spend with diverse suppliers. If you are further along, benchmark against other similar organizations in your industry.

As you grow, celebrate and share your success as a diversity champion. Each year, WBENC honors those corporations who distinguish themselves in the diversity and inclusion space by naming America's Top Corporations for Women's Business Enterprises. The list of Top Corporations is designed to recognize our corporate and government members who choose to integrate policies and programs across their organization to enable growth and innovation, while reducing barriers for women-owned businesses. Honoring your success is an important part of continuing to build, grow and enhance diversity and inclusion programs, and ultimately fuel economic growth for both diverse suppliers and corporations.

About WBENC

WBENC is the largest third-party certifier of businesses owned, controlled, and operated by women in the United States. WBENC partners with 14 Regional Partner Organizations (RPOs) to provide its world class standard of certification to women-owned businesses throughout the country. WBENC is the nation's leading advocate of women-owned businesses as suppliers to America's corporations. Throughout the year, WBENC provides business development opportunities for member corporations, government agencies and thousands of certified women-owned businesses at events and other forums. Learn more at www.wbenc.org

CASE STUDY

Cisco Systems Mentors Diverse Suppliers

STEPS TO SUCCESS

- ❶ Use line business leaders to work with suppliers
- ❷ Don't over-engineer guidelines for pairs; let them evolve based on direct needs
- ❸ Have touch-points and check in at least every six months

For many companies with supplier-diversity initiatives, a concern is the stability of their diverse suppliers. Cisco Systems is addressing the issue with a new sponsorship initiative. Denise Lombard, Director of Supplier Diversity, Global Procurement Services stated, "Cultivating and growing Cisco's diverse suppliers will increase innovation, economic vitality and our pipeline of extraordinary talent."

This year, the company kicked off its 18-month long sponsorship program for diverse suppliers. Twenty-eight suppliers were selected based on their overall performance, low financial risk, and current spend engagement with Cisco. The diverse suppliers were matched with Cisco's senior directors (the level right below vice president) from various business functions within the company

"For the Senior Directors, this is a volunteer effort. We know they may have certain passions around certain groups so we ask for their preferences and types of business they would want to sponsor, such as labor services or supply chain," says Mory Ware, Program Manager.

Cisco's Supplier Diversity team held information sessions for the Senior Directors and the diverse suppliers. The sessions reviewed the objectives, expectations, and timeline of the program. The Senior Directors committed to meeting at least once a quarter with their suppliers and attend six-month touch-points.

"We are providing the suppliers with a better understanding of how to navigate Cisco," says Lombard. The overall goal is to provide the diverse suppliers with insights and connections in order to help drive Cisco's diversity spend.

It's important that the pairs be able to establish their own cadence and build a two-way beneficial relationship. "We can't cookie-cutter this because the capabilities and needs vary amongst the suppliers and the Cisco Business functions," says Bryan Wiggins, Program Manager.

In addition, Cisco provides coaching to diverse suppliers on risk assessment. The team reviews suppliers' financial reports. There is also a red flag raised if they have 30% or more of their revenue with Cisco. "We help them reach out to other companies outside of Cisco so they can broaden their revenue stream," says Lombard.

In mid 2016, Cisco assessed its top 50 diverse suppliers and ran financial risk reports on those plus an additional 170 diverse suppliers. The company's range of spend with the suppliers was from \$1 million to \$30 million annually.

"Helping our supplier succeed helps Cisco and the whole ecosystem be successful," said Lombard.

Building an Effective Sponsorship Program Resource Guide

The effectiveness of sponsorship programs depends on many factors. In this resource guide, we provide the basics on the why, what and how of sponsorship to get you started on implementing your own strategy.

What Is Sponsorship?

Spon-sor-ship (*noun*) a strategic professional relationship forged between an ambitious high performer (*protégé* or *sponsee*) and a more senior executive (*sponsor* or *steward*) which leads to positive career traction for both.

Sponsors Are Different Than Mentors

Mentors can be a pathway to sponsorship. Building strong relationships with individuals above you, as well as with peers, can help make potential sponsors aware of employees and provide an entryway into networks of power.

All types of professional relationships – coaching, mentoring, advocacy and sponsorship – are critical at every level and development stage but sponsorship is proven to have positive career impact



Mentors Advise You; Sponsors Advocate For You

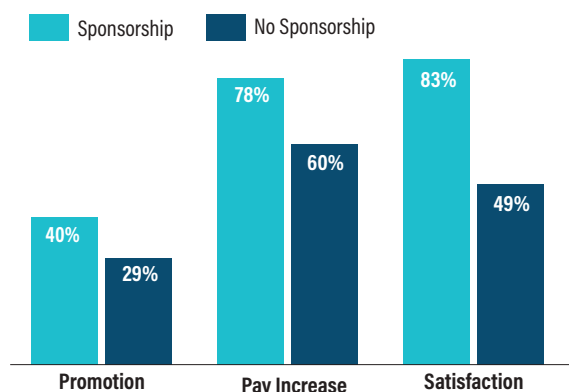
MENTORS	SPONSORS
Mentors have mentees	Sponsors have protégés
A mentor could be anyone with experience desired by a mentee who can offer advice and support	A sponsor is a senior level staff member invested in a protégé's career success.
Mentors support mentees through formal or informal discussions about how to build skills, qualities and confidence for career advancement.	Sponsors promote protégés, using their influence and networks to connect them to high-profile people, assignments, pay increases and promotions
Mentors help mentee craft a career vision	Sponsors help drive their protégé's career vision
Mentors give mentees suggestions on how to expand their network	Sponsors give protégés their active network connections and make new connections for them
Mentors provide feedback to aid a mentee's personal and professional development	Sponsors are personally vested in the upward movement of their protégé

Why Sponsorship?

Relationship Capital Is Key To A Person's Professional Advancement

Although there are multiple ways to build relationship capital, sponsorship can have a significant effect on promotion, pay increase and satisfaction rates. The example below, from Working Mother's 2019 Best Companies for Multicultural Women Report illustrates this point.

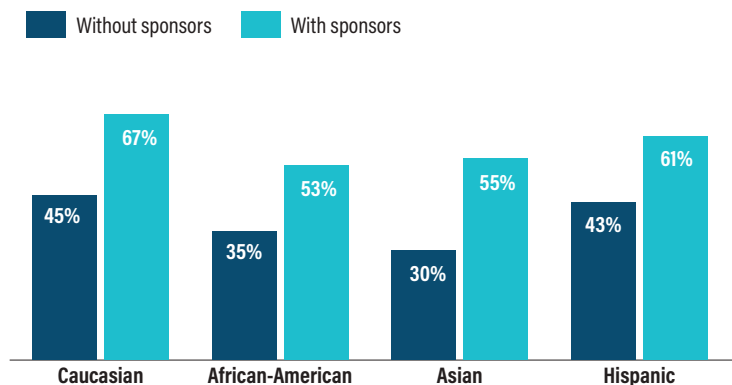
% of Multicultural Women



Source: Working Mother's 2019 Multicultural Women Report

According to a Center for Talent Innovation study, *Vaulting the Color Bar: How Sponsorship Levers Multicultural Professionals into Leadership*, the data is similar for people of color in general.

Employees who are satisfied with their rate of advancement



And, based on our research for the Gender Gap at the Top Report, there is a significant gap between men and women as it relates to the advice and encouragement they receive regarding opportunities to grow professionally.

Relationship Capital Gap

% encouraged to seek out P&L opportunities

Women who were encouraged...

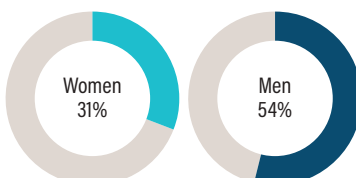
36% more likely to believe they had the necessary skills

29% more likely to believe they would be successful

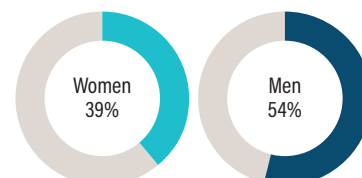
Women 25%

Men 61%

Received advice from mentor sponsor on how to advance in the past 24 months



Had a career discussion with mentor sponsor in the past 24 months



How To Build A Sponsorship Program

Key Elements

There are multiple ways to implement a sponsorship program but it is critical that

- the sponsorship match ties to the development plan of the employee
- the sponsor has the influence needed to make that specific next move happen for the sponsoree
- the two components most relevant to women and under-represented groups --visibility and job experience--are directly tied to the sponsorship plan; and
- there is clarity about the purpose of the sponsorship program.

A SPONSOR IS A SENIOR LEADER WHO:

At minimum:

- Believes in me and goes out on a limb on my behalf
- Advocates for my next opportunity or promotion
- Provides a safe space for development

And, at least does two of:

- Expands my perception of what I can do
- Makes connections to senior leaders
- Promotes my visibility
- Gives advice on "presentation of self"
- Makes connections to clients/customers
- Gives honest/critical feedback on skill gaps

SPONSOR

PROTÉGÉ

A PROTÉGÉ IS A HIGH POTENTIAL EMPLOYEE WHO:

At minimum:

- Out-performs – contributes 110%
- Is professional
- Contributes a distinct personal brand

And, at least does two of:

- Demonstrates trustworthiness and discretion
- Leads with a yes
- Covers my back
- Builds my "A" team

Source: HBR

Implementation

Step One: Develop the scaffolding to support a sponsorship program.

Successful sponsor programs often have a team of stakeholders.

- Peer advocates
- Direct Managers
- HR and Talent
- The Diversity Council should understand, monitor and track the goals of the program

CONSIDER THIS.

When rolling out any new strategy or initiative, it is good practice to start with a pilot and then assess the successes and opportunities for improvement before moving forward with what could be an enterprise-wide effort.

Step Two: Create and Communicate Your Selection Criteria

- Criteria for selection needs to be clear and communicated consistently across all stakeholders
- Leverage your employee resource groups as a pipeline of high potential, diverse candidates for the program
- Have FAQ ready and available for when questions come up

CONSIDER THIS.

Create a sponsorship handbook that outlines the details of the program, an FAQ and provides tips and tools for both sponsors and proteges.

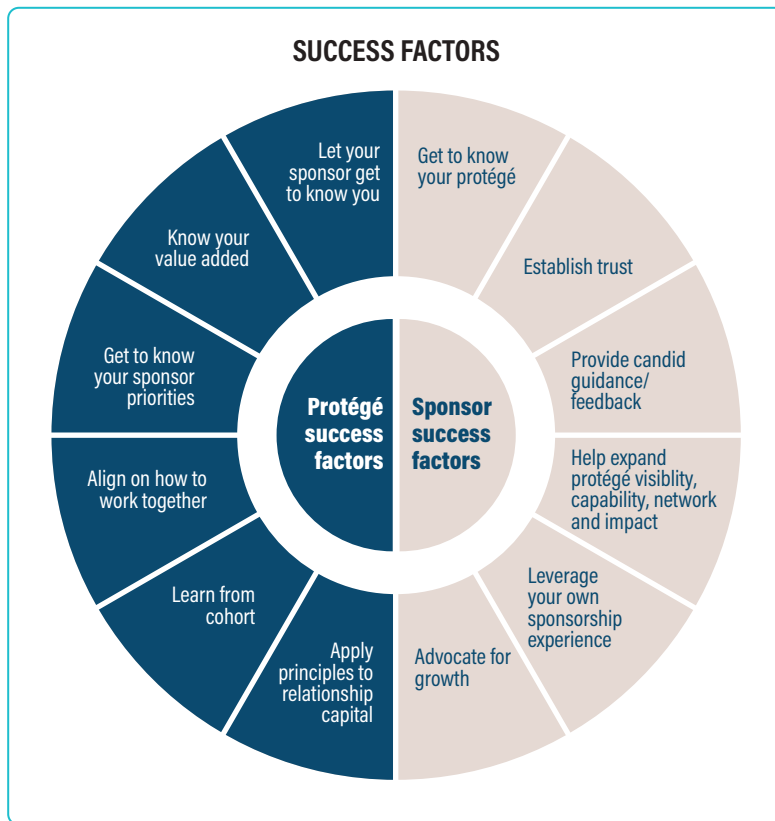
Step Three: Establish the Structure of the Program Including Timeline and Roles and Responsibilities for both Sponsors and Proteges

- The length of the formal sponsorship relationship should be based on the talent development cycle. A standard structure is a 12 month sponsorship timeline with 3- and 6-month check-ins. At the end of that time, the pair can determine if it should go longer based on the development plan and advancement opportunities.
- Create new roles or assignments. Job openings don't always align to an employee's advancement timeline. However, a lateral move is not the only way to demonstrate success. Think broadly and fluidly about what the next opportunity is and what advancement could look like in your organization.

CONSIDER THIS.

Job opportunities can come from existing roles or from creatively looking at new roles or innovatively restructuring old roles. In addition, companies need to hold their senior executives accountable for ensuring that women and minorities are given opportunities for top jobs.

Step Four: Establish Metrics You Will Use to Measure Progress and To Hold Leaders Accountable



Metrics to consider to ensure you are making progress toward the goal of advancing women and under-represented minorities

- What is the velocity of movement (promotion rate) of employees involved in the sponsorship program and how does it compare to similar employees who are not in the program?
- Are the development plans being executed on-time? You may have to insert specific metrics, deliverable goals on the development plan to ensure the goals are met, along with a timeline for reaching them.
- Track the barriers to placing "ready" talent. What are they and how will you solve them?
- As well as ensuring your external slates for hiring are diverse, do you always require diverse internal slates, even if you have to go one level down and assign a mentor/sponsor. What color/gender is your pipeline and why?
- Are you monitoring how long people who are either hired or promoted to senior managers or above are in their jobs are their attrition rates hire? Is their length of service shorter in the role? (Ultimately, were they assigned sponsors/mentors/coaches to ensure success?) Are there actionable suggestions for performance improvement or general, unactionable observations?
- Are you monitoring gender/ethnicity of every leadership development class. Do women and people from under-represented groups have the same rates of success post training?
- Is the material used in leadership development training non-sexist and non-discriminatory?

Need more support to implement your sponsorship program? Contact lisa.fraser@diversitybestpractices.com or allison.avery@cultureatwork.com and we will work with you to create a plan to move forward.