5 Things Companies Get Wrong About DEI and How to Get It Right

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chronus.com

Introduction

Lydia Frank, VP Marketing, Chronus

- Journalist by training

- Marketer by practice

- DEI advocate by passion

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What Is Chronus?

| 1,700+ Programs | 3 Million Mentees/Mentors Impacted | 215+ Countries, 12 Languages |

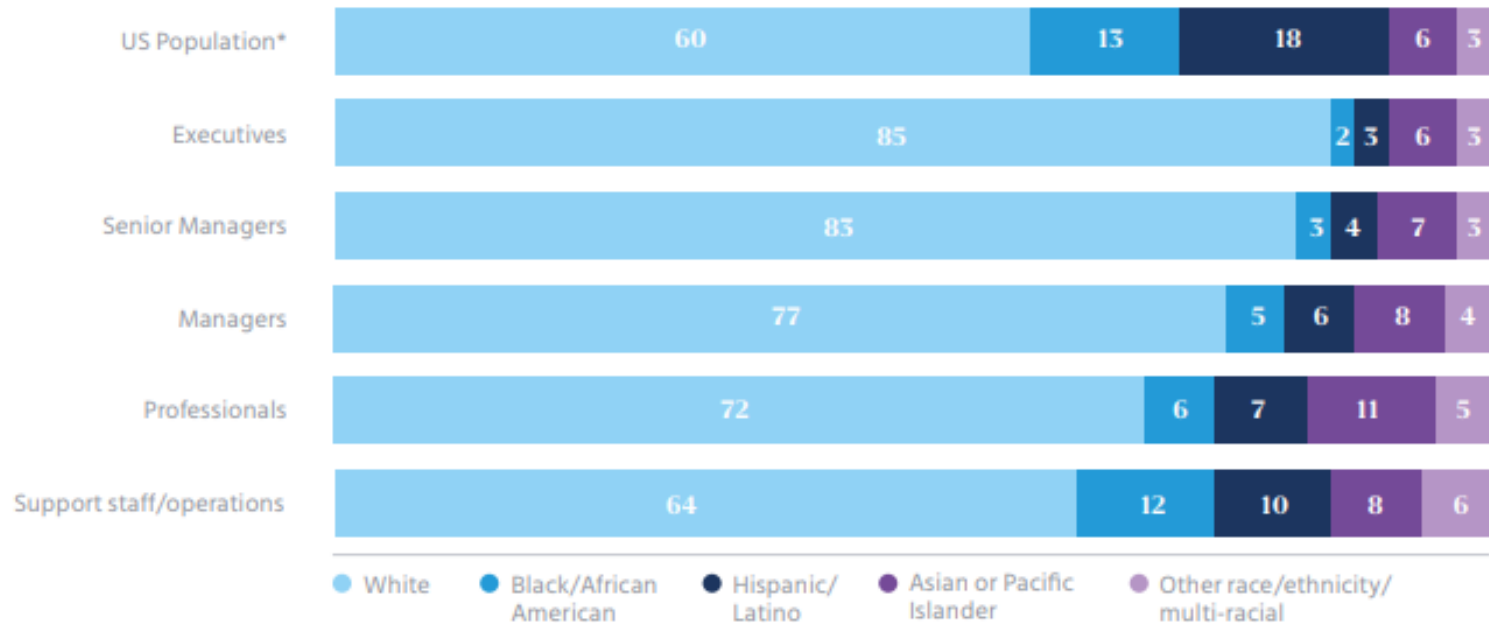| Enroll & Match	Guide	Engage	Measure	Grow
Manage Communicate MatchIQ®	Learning Plans Resources Content	Mobile Apps Email & Push Notifications	Reporting Dashboards Surveys	Scalable Multiple Formats

Expertise - Resources - Support

Where Things Stand on DEI in the Workplace

Diverse Representation in the Workplace

Distribution of all employees by race/ethnicity and career level

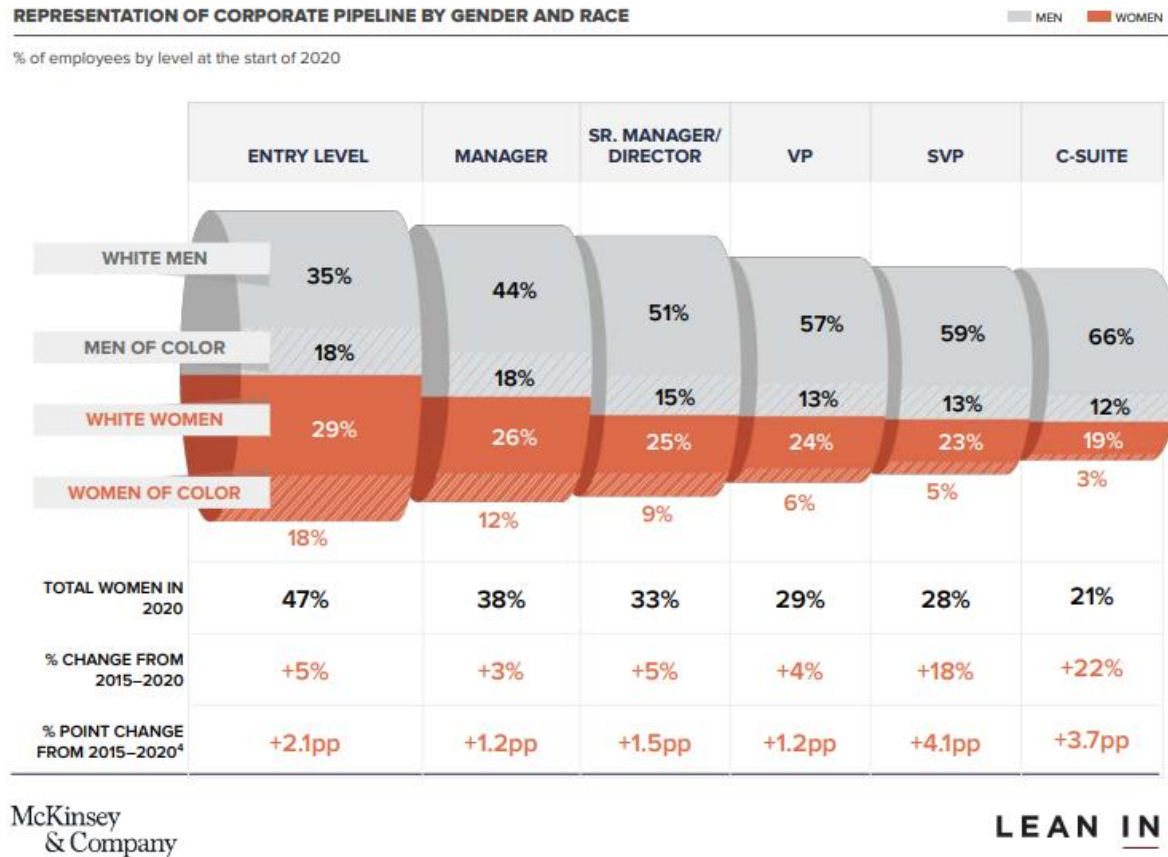|	White	Black/African American	Hispanic/Latino	Asian or Pacific Islander	Other race/ethnicity/multi-racial
US Population*	60	13	18	6	3
Executives	85	2	3	6	3
Senior Managers	83	3	4	7	3
Managers	77	5	6	8	4
Professionals	72	6	7	11	5
Support staff/operations	64	12	10	8	6

Source: Mercer. *Let's Get Real About Equality*, 2020 When Women Thrive report. Includes data collected from 100 US companies.
* US Census Bureau data, 2018

Source: "The time is now — Addressing diversity, equity and inclusion in the workplace", Mercer, 2020

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Diverse Representation in the Workplace

REPRESENTATION OF CORPORATE PIPELINE BY GENDER AND RACE

% of employees by level at the start of 2020

	ENTRY LEVEL	MANAGER	SR. MANAGER/ DIRECTOR	VP	SVP	C-SUITE
WHITE MEN	35%	44%	51%	57%	59%	66%
MEN OF COLOR	18%	18%	15%	13%	13%	12%
WHITE WOMEN	29%	26%	25%	24%	23%	19%
WOMEN OF COLOR	18%	12%	9%	6%	5%	3%
TOTAL WOMEN IN 2020	47%	38%	33%	29%	28%	21%
% CHANGE FROM 2015–2020	+5%	+3%	+5%	+4%	+18%	+22%
% POINT CHANGE FROM 2015–2020[4]	+2.1pp	+1.2pp	+1.5pp	+1.2pp	+4.1pp	+3.7pp

McKinsey & Company

LEAN IN

Source: "Women In the Workplace 2020", McKinsey and LeanIn, September 2020

Future of Work

"This emerging workforce will **hold its leadership accountable** for equity and equality"

- **44%** of millennials are people of color

- **54%** of the US population will be non-white by 2065

Source: "The time is now — Addressing diversity, equity and inclusion in the workplace", Mercer, 2020

Efforts to Date in the Workplace

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Mandatory diversity training				−9.2			−4.5	−5.4
Job tests		−3.8	−10.2	−9.1	−6.7	−8.8		−9.3
Grievance systems		−2.7	−7.3	−4.8		−4.7	−11.3	−4.1

NOTE GRAY INDICATES NO STATISTICAL CERTAINTY OF A PROGRAM'S EFFECT.
SOURCE AUTHORS' STUDY OF 829 MIDSIZE AND LARGE U.S. FIRMS. THE ANALYSIS ISOLATED THE EFFECTS OF DIVERSITY PROGRAMS FROM EVERYTHING ELSE GOING ON IN THE COMPANIES AND IN THE ECONOMY.
FROM "WHY DIVERSITY PROGRAMS FAIL," BY FRANK DOBBIN AND ALEXANDRA KALEV, JULY–AUGUST 2016   © HBR.ORG

Source: "Why Diversity Programs Fail", *Harvard Business Review*, July 2016

Efforts to Date in the Workplace

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Voluntary training			+13.3		+9.1		+9.3	+12.6
Self-managed teams	−2.8	+5.6	+3.4	+3.9				+3.6
Cross-training	−1.4	+3.0	+2.7	+3.0	−3.9		+6.5	+4.1
College recruitment: women*	−2.0	+10.2	+7.9	+8.7		+10.0	+18.3	+8.6
College recruitment: minorities**			+7.7	+8.9				
Mentoring				+18.0	+9.1	+23.7	+18.0	+24.0
Diversity task forces	−3.3	+11.6	+8.7	+22.7	+12.0	+16.2	+30.2	+24.2
Diversity managers		+7.5	+17.0	+11.1		+18.2	+10.9	+13.6

*College recruitment targeting women turns recruiting managers into diversity champions, so it also helps boost the numbers for black and Asian-American men.

**College recruitment targeting minorities often focuses on historically black schools, which lifts the numbers of African-American men and women.

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Source: "Why Diversity Programs Fail", *Harvard Business Review*, July 2016

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Business Case for Diversity

You should **<u>stop</u>** making the Controversial statement coming... business case for diversity.

Business Case for Diversity

- Diversity will likely **increase tension and conflict** (without learning mindset)

- Employees from underrepresented groups must **feel valued and respected** and actually have **ability to influence decisions**

- Emphasizing economic payoffs of diversity **can backfire**

Getting Serious About Diversity: Enough Already with the Business Case

It's time for a new way of thinking. by Robin J. Ely and David A. Thomas

From the Magazine (November–December 2020)

Ojima Abalaka

Source: "Getting Serious About Diversity: Enough Already with the Business Case", *Harvard Business Review*, November 2020

Business Case for Diversity

- What's required to see benefits of a diverse workforce is a **culture** that fosters:
  - Inquiry
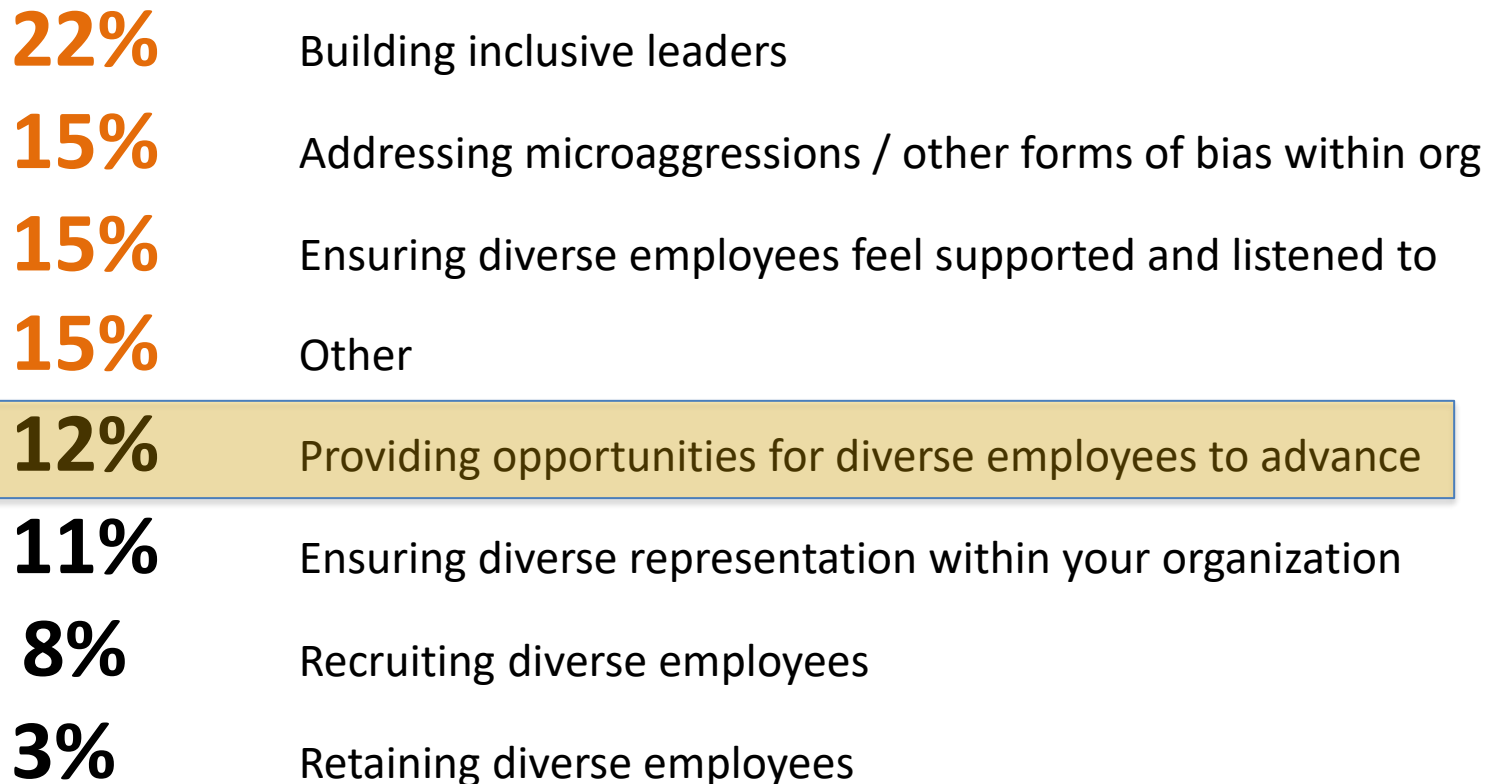 - Egalitarianism
  - Learning

Getting Serious About Diversity: Enough Already with the Business Case

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Source: "Getting Serious About Diversity: Enough Already with the Business Case", *Harvard Business Review*, November 2020

What Changed in 2020

- Social movements around **racial equity at the forefront**

- Much of the **workforce working remotely** due to the pandemic

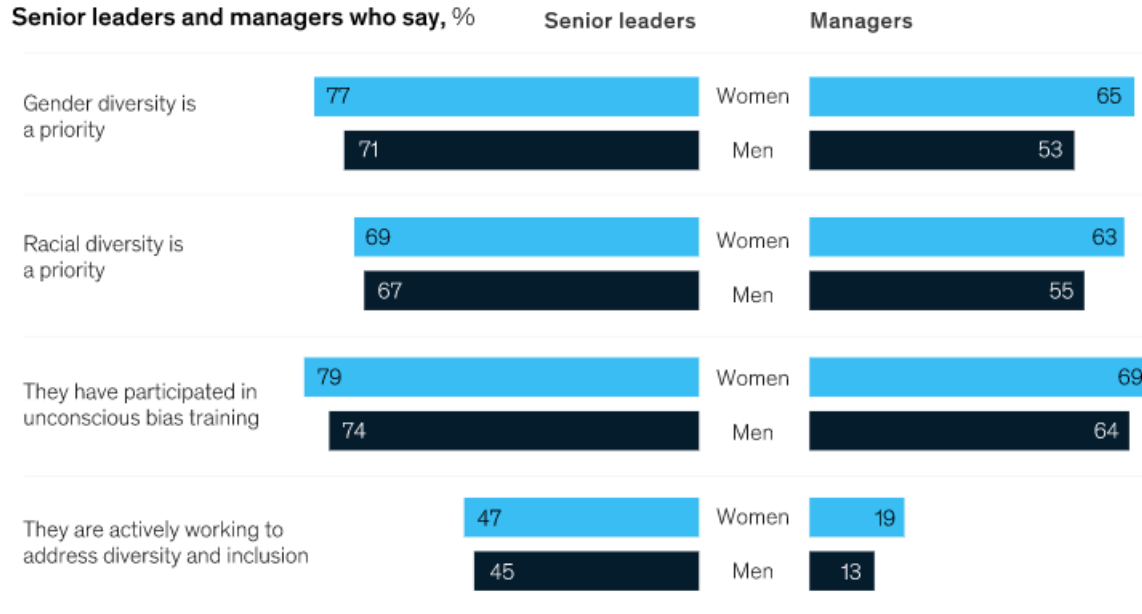- Employers attempting to **accelerate DEI efforts**

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What's your most critical DEI concern for 2021?

22% Building inclusive leaders

15% Addressing microaggressions / other forms of bias within org

15% Ensuring diverse employees feel supported and listened to

15% Other

12% Providing opportunities for diverse employees to advance

11% Ensuring diverse representation within your organization

8% Recruiting diverse employees

3% Retaining diverse employees

Inclusive Leaders Needed at All Levels

Companies need to empower managers to drive diversity and inclusion efforts alongside senior leaders.

Senior leaders and managers who say, %   Senior leaders   Managers

	Senior leaders		Managers
Gender diversity is a priority	Women 77		Women 65
	Men 71		Men 53
Racial diversity is a priority	Women 69		Women 63
	Men 67		Men 55
They have participated in unconscious bias training	Women 79		Women 69
	Men 74		Men 64
They are actively working to address diversity and inclusion	Women 47		Women 19
	Men 45		Men 13

Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

McKinsey & Company

Source: "Women In the Workplace 2019", McKinsey and LeanIn, October 2019

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1 – Tactics Before Strategy

1 – Tactics Before Strategy

What to Do Instead

- Understand the problem

  - Start with **data analysis**

    - Which identity groups aren't seeing equitable outcomes with the status quo?

    - What is the risk of *not* looking at the data?
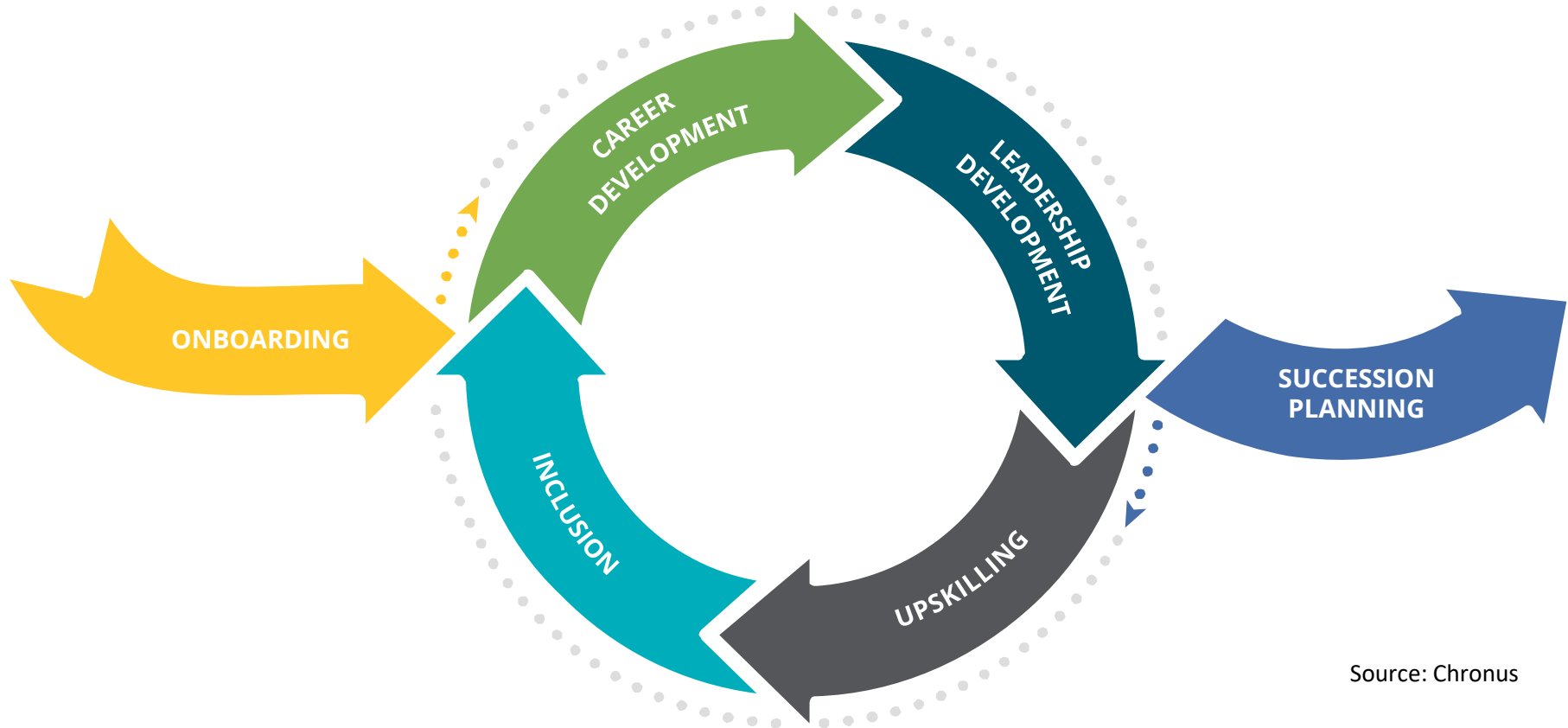
  - **Listen** to employees

1 – Tactics Before Strategy
Internal Labor Market Map
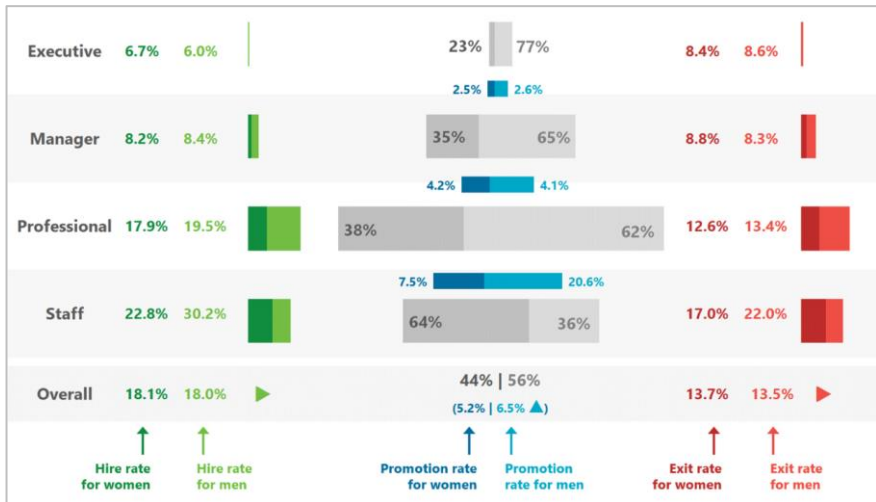
Source: "Mercer Testifies on the value of Diversity and Inclusion", Mercer, 2018

1 – Tactics Before Strategy

Employee Lifecycle: Where are Your Issues?

ONBOARDING

CAREER DEVELOPMENT

LEADERSHIP DEVELOPMENT

INCLUSION

UPSKILLING

SUCCESSION PLANNING

Source: Chronus

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1 – Tactics Before Strategy

What to Do Instead

More than the minimum
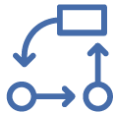
Connected, integrated and mutually reinforcing

Differentiated

Scalable and consistent

Show positive impact

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1 – Tactics Before Strategy

Resources

- Project Include

  https://projectinclude.org/

- Mentoring for a Diverse and Inclusive

  Workplace

  https://chronus.com/inclusive-

  workplace-culture

MENTORING FOR A DIVERSE AND INCLUSIVE WORKPLACE

2 – Not Measuring Progress

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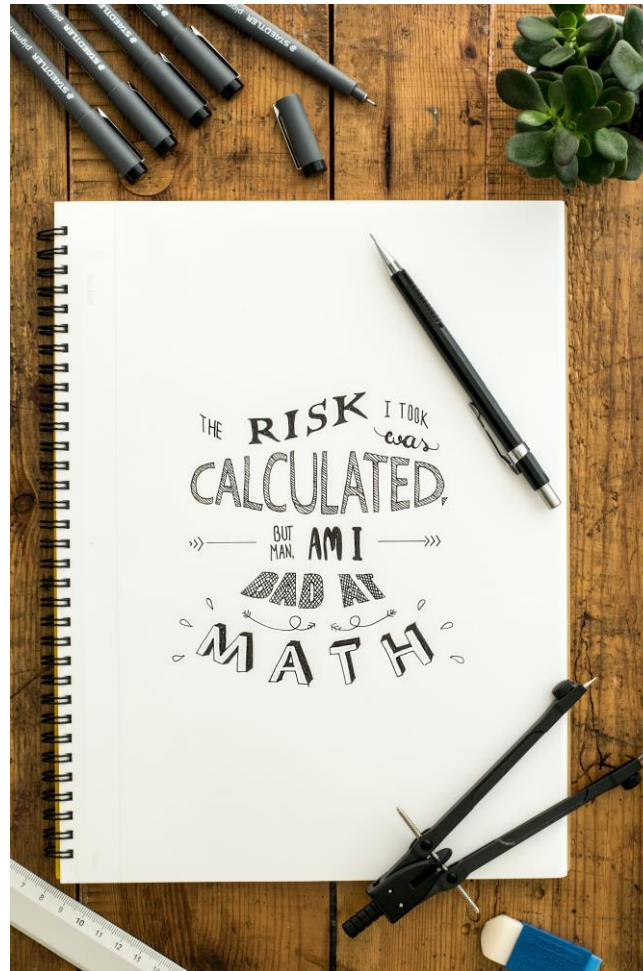
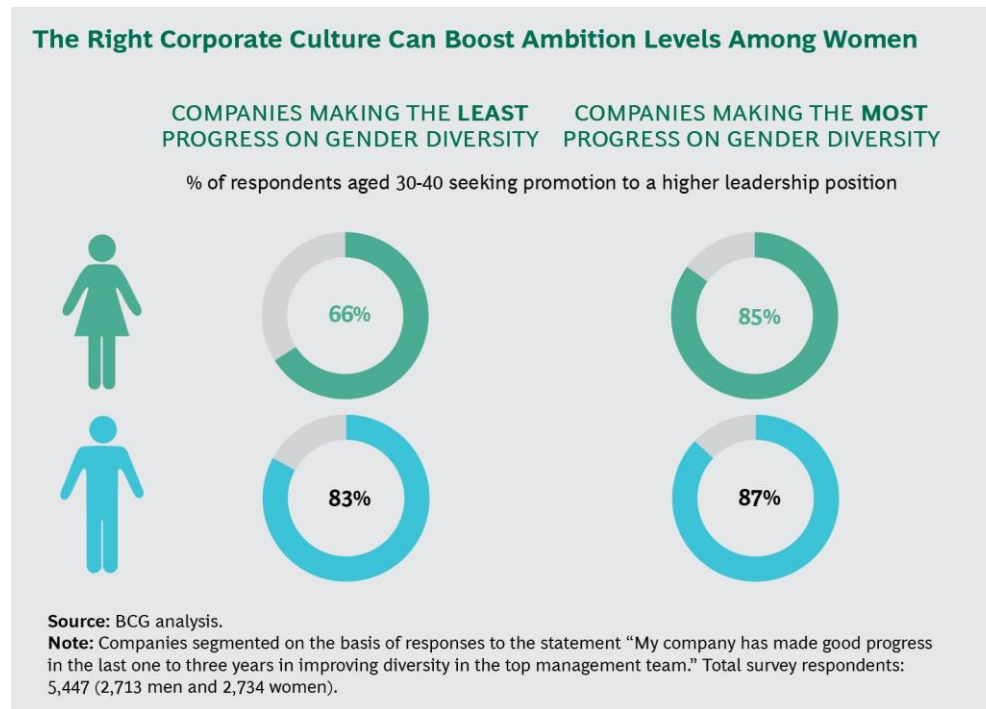# 2 – Not Measuring Progress

- **What** should you be measuring?

  - Representation

  - Pay

  - Recruitment

  - Retention

  - Advancement

- **Who** has access to these numbers?

  - E.g. Hire rates

Source: "Tracking & Measuring Diversity", Boston Consulting Group, 2018

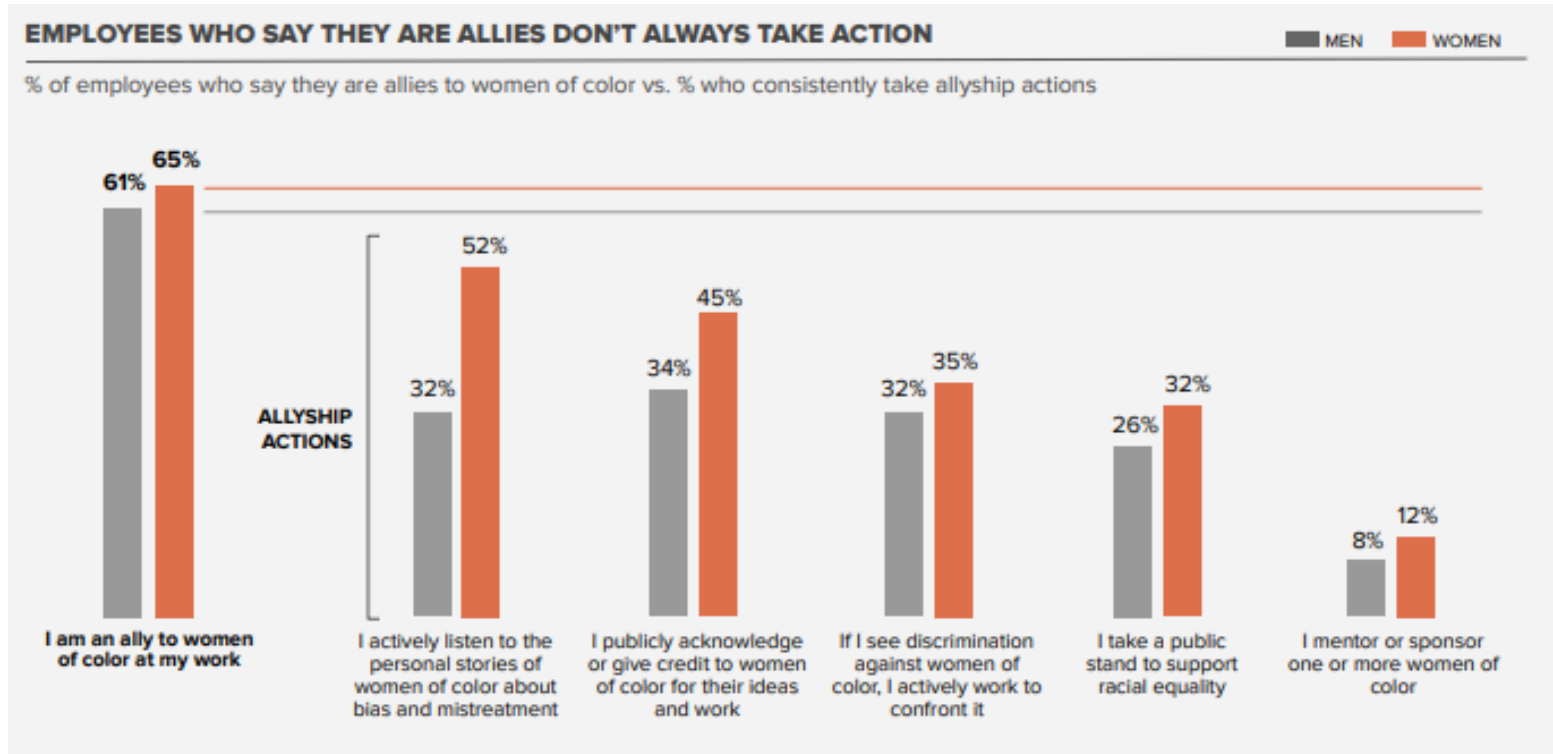# 2 – Not Measuring Progress
What to Do Instead

Reminder: Advancement for women not related to ambition

Source: "Dispelling the Myths of the Gender 'Ambition Gap'", Boston Consulting Group, April 2017

3 – No Accountability

The Problem with Allyship

EMPLOYEES WHO SAY THEY ARE ALLIES DON'T ALWAYS TAKE ACTION MEN WOMEN

% of employees who say they are allies to women of color vs. % who consistently take allyship actions

- I am an ally to women of color at my work: Men 61%, Women 65%

ALLYSHIP ACTIONS

- I actively listen to the personal stories of women of color about bias and mistreatment: Men 32%, Women 52%
- I publicly acknowledge or give credit to women of color for their ideas and work: Men 34%, Women 45%
- If I see discrimination against women of color, I actively work to confront it: Men 32%, Women 35%
- I take a public stand to support racial equality: Men 26%, Women 32%
- I mentor or sponsor one or more women of color: Men 8%, Women 12%

Source: "Women In the Workplace 2020", McKinsey and LeanIn, September 2020

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3 – No Accountability

- White male executives **aren't rewarded**, career-wise, for engaging in diversity-valuing behavior

- Nonwhite and female executives **actually get punished** for it

Women and Minorities Are Penalized for Promoting Diversity

by Stefanie K. Johnson and David R. Hekman

March 23, 2016

Source: "Women and Minorities Are Penalized for Promoting Diversity", *Harvard Business Review*, March 2016

3 – No Accountability

- What happens if **DEI goals aren't met**?

- What happens if **cultural values are violated**?

3 – No Accountability
What to Do Instead

- Make DEI **everyone's job**

- Help employees (managers especially) understand how they can **take action** and that **it will be rewarded**

- Follow through on **not tolerating behavior** that doesn't align with your inclusive culture

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4 – One Size Fits All Approach

One Size Fits All Approach
Employees Don't All Have the Same Challenges

EQUALITY

EQUITY

One Size Fits All Approach

- EEOC actually **prohibits employers from using neutral employment policies** that have a disproportionately negative effect on applicants of a protected class **(disparate impact)**

How to Use Employee Referrals Without Giving Up Workplace Diversity

by Lydia Frank

March 15, 2018
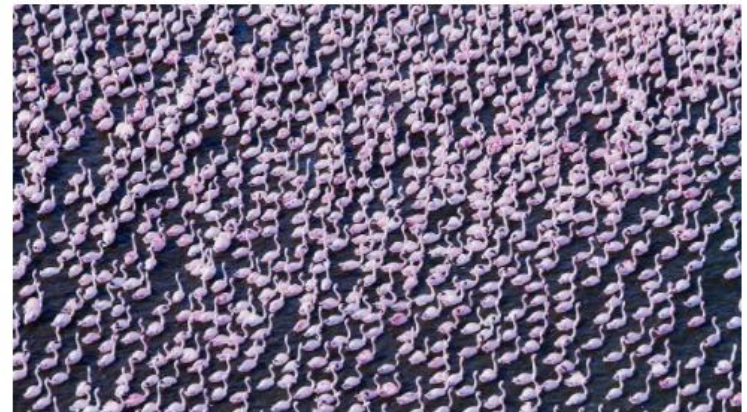
Source: "How to Use Employee Referrals Without Giving Up Workplace Diversity", *Harvard Business Review*, March 2018

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One Size Fits All Approach
What to Do Instead

- Identify **which employees** aren't seeing equitable outcomes and in what ways

- Identify **what each employee needs** to thrive

- **Prioritize / center** the needs of those with the least equitable outcomes

5 – Focusing on Changing People

5 – Focusing on Changing People

- Most people would **rather deny or downplay new, uncomfortable information** than reshape their worldview

- When doubts do creep in, they can have a paradoxical effect, leading people to **dig in their heels** even more

- Arguers' **outward insistence may be inversely related** to their actual conviction

Source: "Why Is It So Hard to Change People's Minds?", Greater Good Magazine, June 2017

Attitudes Influence Behaviors, But
Behaviors Can Also Influence Attitudes

5 – Focusing on Changing People
What to Do Instead

- Examine **policies**

- Examine **processes / procedures**

- Examine **incentives**

- Identify ways to **leverage technology**

Questions?

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