ForbesIGNITE

DIVERISTY EQUITY AND INCLUSION

HOW REAL IS OUR PROGRESS?

A FORBES IGNITE GUIDE
NOVEMBER 23, 2021

IN ASSOCIATION WITH

pymetrics

CONTENTS

"WHILE THE ELEMENT OF HUMANITY CAN OFTEN IGNITE DE&I EFFORTS, IT CAN SOMETIMES PLAY A ROLE IN DELAYING PROGRESS TOO. IN SOME CASES, PEOPLE HAVE LIMITED EMPATHY OR UNDERSTANDING OF OTHER IDENTITIES – AND NOT EVERYONE IS AT A POINT IN THEIR JOURNEYS WHERE THEY HAVE ADDRESSED THEIR OWN BLIND SPOTS.

THIS IS WHY INDIVIDUAL WORK IS REQUIRED AND FOUNDATIONAL TO BROADER, ORGANIZATIONAL WORK – BECAUSE INDIVIDUAL JOURNEYS INTRINSICALLY IMPACT HOW SOMEONE SHOWS UP AS A TEAM LEADER, FOR EXAMPLE, OR HOW THEY CONTRIBUTE OR DETRACT FROM PROGRESS OVERALL."

— GERALDINE WHITE, PUBLICIS GROUPE

Playing against a backdrop of digital transformation, a global pandemic and rising calls for social justice, our professional lives have been transformed in recent months. Highly visible discussions and disagreements around gender, race, ethnicity, and LGBTQ issues became prominent in the news and on social media. Now, similar discussions about diversity and equity are reverberating in workplaces around the world. For many who believe in the importance of bringing our authentic selves to work, these discussions are long overdue.

As we work through the effects of the pandemic, it becomes very clear that we are all not equally affected. The digital divide came into sharp focus as those of us fortunate enough to be considered knowledge workers transitioned fairly easily to remote work. Underserved populations without access to technology including computers and reliable broadband faced more difficulties. In addition to missing social connections, they risk and miss out on the economic benefits of emerging technologies.

WHO LEADS THE WAY?

After years of discussion there is a general agreement that diverse, equitable and inclusive (DE&I) workplaces are not just the right thing to do, but are also essential for productivity and long-term growth. There's a growing body of evidence that suggests that creating a culture that embraces DE&I isn't just a good idea for recruiting, employee satisfaction and innovation — it's crucial for bottom-line business outcomes:

- **Companies with high diversity have 19% higher revenues from innovation initiatives.**
- **In the millennial and Gen Z US workforce - 56% are white, compared to 72% of Boomers.**
- **76% of job seekers consider diversity an important factor in choosing an employer.**
- **More than half of employees say companies should do more to increase diversity.**

"Diversity is more than just recruiting people of color and women. It's not an 'either / or' story. We can have both diversity and excellence. If we are intentional in our search, and intentional with our actions, it's not as difficult as it may appear. I know that talent from historically underrepresented groups is a key source that will enable us to achieve excellence."
— Naadia Burrows, Broadridge

And interest is only growing. One LinkedIn group called "Diversity, Equity & Inclusion Recruiting, Strategy, Planning and DEI Related Jobs" now has more than 26,000 members. The group is concerned with the "foundational components for building and sustaining diverse teams and driving cultural transformation" and encourages relevant job postings.

Recently, Forbes Ignite convened groups of C-level human resource and talent executives from leading organizations for a candid discussion around DE&I in the workplace, with a focus on technology companies. While this group of senior executives is encouraged by the growth of DE&I initiatives in organizations around the world, they also shared concerns about real challenges in developing sustainable programs and securing the participation and sponsorship required to drive lasting change.

Here are some of the highlights and insights of those meetings, with a focus on potential solutions to the challenges of driving DE&I at scale, and how HR leaders can foster meaningful changes in their own organizations and beyond.

One area of consensus: Though organizational change is challenging and conversations can be uncomfortable, senior leaders in every organization are realizing that topics around equity and social justice in the workplace cannot be ignored.

In transformational times, punctuated by the high-profile deaths of George Floyd, Breonna Taylor and Ahmaud Arbery, tensions have run high as the world struggles to make sense of these tragic events. Holding discussions around DE&I in this charged environment has made things a little less comfortable, but our outspoken participants provided the candor and relevance that we see as requirements to meaningful and productive discourse.

POPULARITY AND PLAYING IT SAFE

"For many, the critical challenge is how to more deeply embed an organizational culture centered on diversity, equity and inclusion, and ensure that culture is tied to overall strategic objectives. While we are seeing great traction, we must continue to scale these efforts, spotlight the impact and clearly demonstrate the benefits for employee experience, for the organization itself and for the communities where it engages."
— Annette O'Hanlon, S&P Global

While there was common agreement about the growing popularity and usage of DE&I programs, there were also concerns about some organizations not executing programs correctly, playing it safe, or merely checking boxes in order to stay compliant. For the most part, employers seem bought-in to the idea that implement DE&I initiatives can both meet compliance obligations and increase the overall bottom line with a more diverse and productive workforce.

The concern about playing it safe is understandable, as a Harvard Business Review study indicates that improper use of

diversity training can actually lead to organizations becoming less diverse. While wall posters and one-off trainings are insufficient to infuse DE&I into a company's culture, there's also recognition that boards and CEOs are under pressure to justify the ongoing costs of more robust programs.

HOW REAL IS OUR PROGRESS?

"There's still a ceiling in place. We bring in diverse candidates, but do we help them thrive?" — Brenda Tsai, DXC Technology

A number of participants mentioned that many organizations focus strongly on diversity in recruiting, but less on ensuring that an equitable and inclusive environment awaits diverse candidates after hiring. Other speed bumps included a lack of programs or opportunities designed to help diverse employees move from mid-management into executive leadership positions.

THERE ARE MANY POINTS ALONG THE JOURNEY WHERE DE&I INITIATIVES CAN LOSE MOMENTUM, A PHENOMENON SOMETIMES CALLED DIVERSITY FATIGUE.

In some organizations, diversity fatigue sets in when there's a lot of talk and activities around diversity, with few quantifiable outcomes. During our sessions, several ideas and recommendations to maintain the forward progress of DE&I initiatives throughout the employee life-cycle:

SESSION INSIGHTS: 12 STEPS TO SUSTAINABLE DE&I

1. **Committing to a sustainable DE&I strategy**

2. **Re-imagining recruiting & onboarding**

3. **A safe and welcoming environment for diverse talent**

4. **Clearly defined early career paths**

5. **Mid-career leadership opportunities**

6. **Use of employee resource groups or "Tiger ERGs" for accountability**

7. **Ongoing DE&I training for long-term, positive change**

8. **Executive team accountability, support and budget**

9. **Tools and platforms to eliminate bias**

10. **Measure, optimize and report on performance**

11. **Create visible diversity in top leadership roles**

12. **Nurture the next generation of diverse candidates**

When an organization's employees — including diverse candidates — have doubts about the value and effectiveness of DE&I initiatives, frustration may set in. That's why ongoing and open communications to all stakeholders about ongoing progress and challenges are so important. Participants recommended a variety of ways to communicate with stakeholders, including TED-style talks to educate stakeholders and share the highlights and progress around DE&I.

THE STORY AROUND DE&I INITIATIVES

"The story around DE&I I hear myself telling is that you can't become what you don't see. When there are senior Black leaders in an organization, when people look up, they say, 'I see him — or her — but can I really aspire to be there?' We need to remove that doubt, and this idea that excellence comes in small numbers. For example, there's a belief that Black women are fighting each other for leadership opportunities. I think they're actually fighting a system that has created fewer opportunities. But when these diverse candidates arrive in top leadership positions, it's just euphoric."
— Ebony Thomas, Bank of America

It seems we should be past the point where building business cases for DE&I is necessary. But although research is mounting, goals are different in every organization. Transparency in reporting, and clear, ongoing communications are critical for every DE&I program. Employers can bolster their DE&I efforts by providing a safe space for workers to have respectful and honest conversations, and by communicating their message to every level of the organization.

The language around DE&I should be thoughtful, to help organizations embrace equity, structural change, and new narratives or storytelling. This language represents an important insight. The potential of this dialog is muted if our practices and strategies fail to pursue a rich understanding of equity and the diversity of people who will benefit from its realization.

DIVERSITY, BIAS AND THE SKILLS CHALLENGE

"The crossroads I'm facing right now is, how do we make sure we are providing the right skills? Not just hard skills, but what we consider the softer skills that enable diverse populations to be successful?" — Justina Nixon-Saintil, IBM

One of the challenges of recruiting and onboarding diverse candidates, and every candidate, is the assessment of skills. The current bias is skewed toward hard skills and technical credentials. The issue is that hard skills, though easier to measure, are better indicators of past performance than future success.

The half-life of a technical skill for software engineers is 12-18 months, according to Deloitte research. And while there is broad agreement that soft skills like creativity, decision-making and adaptability are becoming more important in the modern workplace, they are also difficult to measure. Leaders must address this "invisible skills gap" in order to develop more diverse, effective and inclusive teams.

Fortunately, recruiters can now take advantage of emerging technology, including platforms that leverage a combination of neuroscience and artificial intelligence (AI) to measure soft skills at scale, while controlling the inherent biases of the talent recruiting and management processes. While there have been several high-profile cases calling out bias in human hiring practices, many of us also have concerns about those biases carrying over to the algorithms used in hiring decisions.

But while it's nearly impossible to eliminate human biases, it's proven easier to remove them from our hiring and recruiting platforms. Pymetrics co-founder and CEO Frida Polli explains that in developing the technology to match people to jobs, there is an opportunity to remove human bias from the process. Polli notes that while the practice of candidate matching by scanning resumes has not evolved for decades, using an approach that incorporates cognitive science and AI can eliminate unconscious biases around class, gender and race.

CULTURAL CHANGE IS CHALLENGING

"I believe very strongly that we are not focused on diversity in the right way. We need to change the conversation dramatically to see true change. People say that we need to focus on specific targets. But if we just hit the numbers, we miss the point, and that's a very myopic view." — Amy Hanlon-Rodemich, GlobalLogic (a Hitachi Company)

The tech industry has been called out many times over the years for a lack of progress in diversity matters. But some participants noted a renewed focus and more organizations making DE&I policies and commitments. Companies have good intentions to transform their cultures, but there are several challenges to lasting change.

"As a cognitive scientist, I saw the decades we spent in the lab trying to change human behavior. I'm here to say that it's not possible. Research proves that, so we have to seek alternatives because we are not going to change human bias through diversity training and unconscious bias training."

— Pymetrics CEO and co-founder Frida Polli

There were also strong concerns that the charged environment that's evident in politics and media makes workplace discussions around DE&I more difficult. Several participants point out that diversity efforts are often focused on recruiting, but there's little point in recruiting diverse candidates into an unwelcoming environment where they are unlikely to thrive. In addition to being a missed opportunity, it's a huge contributor to the retention problems some organizations have with diverse team members who don't feel as if they fit in.

"In discussions related to diversity and politics, we have permitted ourselves to speak to each other in ways that we would tell our children, 'never speak to another person like that.' I imagine that what's going on in our society and culture is bleeding into the workplace. We're being confronted with these behaviors that we have not had to confront before. But we have to confront them now if we want to drive a culture of diversity, equity and inclusion."
— Karissa Bussard, General Electric

Many organizations are looking to replace traditional hiring systems that rely on "pedigree, not potential" to screen candidates. One reason the resume and applicant tracking systems persist is that assessing human potential and soft skills has been more difficult than evaluating qualifications and hard skills. Today, employers are eager to find adaptable employees who can learn and reskill quickly, and fit into today's rapidly evolving business culture.

Creating a sustainable DE&I culture invariably means reassessing the organization's existing process and practices. This is doubly difficult because in general, people don't like change unless they clearly see achievable and compelling benefits. Another must-have in building diversity is training and education. People are often resistant to any mandatory training that adds more responsibilities to already busy schedules.

CREATING LASTING DIVERSITY FOR GROWTH

"I'm very deliberate in communicating with the executives on our team. They see I have brought diverse people into the company, and we're crushing it. My story is, this is a team. It's not just because of ethnicity, but diversity of thought, of gender, of ideas and innovation. The secret sauce is not me. The team is the story."
— Irvin Bishop Jr., Black and Veatch

So where are we on the DE&I journey? Nearly 98% of companies have some diversity initiatives in place, but our session participants strongly reflected that in their own views, DE&I progress is slower than expected. Some participants felt strongly that our current initiatives must be scaled up to make meaningful impact, while others were clear that DE&I initiatives in many organizations were simply heading in the wrong direction.

In recent years, the phrase 'sustainable is the new digital' has become increasingly popular. The idea is that, similar to digital transformation, the transformation to more thoughtful and sustainable business practices is inevitable — and arriving much more quickly than we think. Organizations that fail to grasp this growing trend will be overtaken by competitors who better understand their responsibility to their customers and stakeholders.

"Taking an approach to DE&I that is not purely optimistic, that includes the threat and downside of taking no action at all, is something we must consider. When the negative consequences of inaction seem far in the future, there is a tendency to be shortsighted – yet the risks of inaction are real, right now. So, how do we make the 'urgency of now' come to life in a way that shakes people awake?" — Blair Taylor, Accenture

Just as the digital revolution continues to change every aspect of how we do business, DE&I will have a massive role in determining which organizations thrive, and which fall by the wayside. All companies are watching the composition of their audience and stakeholders grow more diverse. Fewer are successful in creating workplaces that reflect the diverse audiences they serve.

Research from the Harvard Business Review rated diversity success across six dimensions, migration, industry, career path, gender, education, and age. The organizations that scored better than average in diversity initiatives were also the most innovative, and posted 19% higher innovation revenues than less diverse

"The crossroads I'm facing right now is, how do we make sure we are providing the right skills? Not just hard skills, but what we consider the softer skills that enable diverse populations to be successful?" — Justina Nixon-Saintil, IBM

companies. This "revenue freshness" is exciting to many DE&I professionals, because although concepts like diversity and inclusion may be hard to measure, outcomes like new revenue are easily explained and understood at every level of the organization.
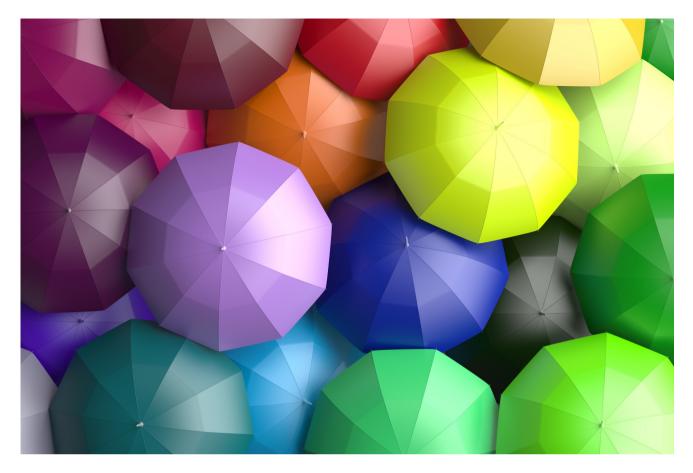
PULLING IT ALL TOGETHER

The broad story about the rapid growth of DE&I awareness and initiatives is very compelling. In the past five years, the number of executives with diversity and inclusion job titles has increased 113%, according to the International Performance Management Institute. Organizations around the world are taking the initiative to create and implement DE&I policies and programs.

At the same time, a growing body of evidence shows that diverse teams make better decisions and are happier, more creative and more productive. The challenge is to capture this known potential in our own organizations, given the unique cultural, opportunities and constraints in every organization.

The question posed by most of our participants was clear:

Given that we've been having conversations, and working to promote DE&I awareness for years, why aren't we seeing results?

While nearly all participants agreed that progress is being made, the groups seemed split on whether DE&I efforts are generally headed in the right direction. Some participants were operating in fairly new roles and programs with the expectations that meaningful change at scale would take some time to achieve. Others voiced their opinions that more education and executive sponsorship are needed to address personal and systemic biases.

Another important area to address is the power of storytelling. Humans think in stories, not numbers. Storytelling is also a bridge to empathy that allows people to put themselves in others' shoes. The stories that can be told should be broader than those we're currently telling about diversity. In addition to highlighting negative experiences, our participants suggested that finding ways to highlight positive diversity outcomes - especially the small ones that have to do with a simple positive interaction - could be helpful in setting positive norms. It's also critical for allies of the BIPOC community to own their mistakes, and share the moments where they could have been better and how they plan to do so.

All participants were open to trying different tactics, including gamification, TED-style talks or using AI-powered platforms to eliminate hiring biases.

AS ONE PARTICIPANT PUT IT, "I THINK THIS WHOLE THING CRIES OUT FOR A NEW APPROACH — AND I'M OPEN TO WHATEVER THE HECK THAT IS."

ACKNOWLEDGMENTS

We'd like to acknowledge the leaders who participated in our sessions and whose insights made this work possible.

Irvin Bishop Jr., Chief Information Officer at Black and Veatch

Naadia Burrows, Chief Diversity Officer at Broadridge

Karissa Bussard, Senior HR Partner at GE

Amy Hanlon-Rodemich, Chief People Officer at GlobalLogic (a Hitachi Company)

Justina Nixon-Saintil, VP and Global Head, Corporate Social Responsibility at IBM

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Brenda Tsai, Chief Marketing and Communications Officer at DXC Technology

Geraldine White, Chief Diversity Officer at Publicis Groupe

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