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MIAMI, FLORIDA

ON BEHALF OF THE

SOCIETY FOR HUMAN RESOURCE MANAGEMENT

PRESENTED TO THE

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

WEDNESDAY, APRIL 15, 2015

Introduction

Chair Yang, and distinguished Commissioners Barker, Burrows, Feldblum, and Lipnic, my name is Iliana Castillo-Frick, Vice Provost of Human Resources for Miami Dade College (MDC). I welcome you to MDC, a community college created with the idea that anyone with a desire to get a college degree should be given that opportunity, and currently the largest institution of higher education in the state of Florida. In my capacity as Vice Provost for HR, I am responsible for all functions of the Human Resources Division college-wide, including our efforts to build a diverse and inclusive workforce. I am also proud to have facilitated MDC's recognition on the Chronicle of Education's "Great Colleges to Work For" Honor Roll for the past five years. I appear before you today on behalf of the Society for Human Resource Management, also known as SHRM, where I have been an active member since 1985. I have also been a board member of HR Florida and the Greater Miami Society for Human Resource Management where I served as Diversity Advocate and Community Affairs Director.

Founded in 1948, the Society for Human Resource Management (SHRM) is the world's largest HR membership organization devoted to human resource management. Representing more than 275,000 members in over 160 countries, the Society is the leading provider of resources to serve the needs of HR professionals and advance the professional practice of human resource management. SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China, India and United Arab Emirates.

SHRM members are committed to promoting diversity and inclusion strategies in the workplace. According to 2014 SHRM survey data, more than half (57%) of HR professionals say their recruiting strategies are designed to help increase diversity in their organization, and nearly two out of five (38%) say their retention strategies are designed to help retain a diverse workforce. More than three-fifths (64%) of organizations reported that HR is responsible for *implementing* diversity initiatives.¹

It is SHRM's mission to proactively provide its members with educational resources including conference programming, webcasts, articles, and toolkits on workplace law compliance, effective HR practices and strategic workforce issues.

SHRM's Diversity & Inclusion Conference and Exposition, held annually in October, provides training to Diversity & Inclusion (D&I) and HR professionals on topics related to diversity including sessions on the business case for D&I, how to develop a D&I strategy that is aligned with an organization's business objectives and how to create a globally inclusive and culturally competent workplace.

SHRM includes D&I as a key part of the HR Body of Competency and Knowledge upon which our professional certification is based. In addition, D&I is one of seven areas within SHRM's volunteer structure deemed critical – or core – to the success of achieving its mission to

¹ Society for Human Resource Management. "SHRM Survey Findings: Diversity and Inclusion." <http://www.shrm.org/research/surveyfindings/articles/pages/diversity-inclusion.aspx>. April 8, 2014.

advance the profession and serve the professional. SHRM strongly encourages the inclusion of volunteer leadership roles on chapter boards and state councils for each of the Core Leadership Areas, including D&I.

Today, I would like to discuss the important issue of addressing barriers to employment and advancement based on race, national origin and color, by focusing on my experience with diversity and inclusion initiatives and why I believe that D&I is a critical focus for employers beyond compliance with equal employment opportunity (EEO) laws. I'll also identify some challenges I have encountered and share some thoughts on how to address those challenges.

What Organizations Are Doing to Ensure Compliance With EEO Laws And To Further Increase and Maintain Diversity and Inclusion

First, I would like to address the relationship between diversity and inclusion policies and practices on the one hand, and the separate and distinct equal employment opportunity (EEO) and affirmative action compliance on the other. The mixing of these issues relates back to the historical evolution of these complementary yet distinct concepts.

Several federal laws prohibit employment discrimination and HR professionals work within these laws on a daily basis including, but not limited to:

- Title VII of the Civil Rights Act of 1964 prohibits employment discrimination based on race, color, religion, sex, or national origin;
- the Equal Pay Act of 1963 (EPA), protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;
- the Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older;
- the Americans with Disabilities Act of 1990, as amended (ADA), prohibits employment discrimination against qualified individuals with disabilities;
- the Rehabilitation Act of 1973 requires federal agencies and federal contractors to take affirmative action and prohibits discrimination against qualified individuals with disabilities;
- the Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employment discrimination based on genetic information about an applicant, employee, or former employee;
- the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) requires federal contractors to take affirmative action and prohibit discrimination against covered veterans; and
- Executive Order 11246 requires federal contractors to take affirmative action and prohibits employment discrimination based on race, color, religion, sex, or national origin.

These laws focus on fairness and nondiscrimination in employment decisions, and most employers have written policies in place that address the organization's commitment to non-discrimination in the areas covered by these statutes. EEO and affirmative action are primarily matters of legal compliance, although they do help to create a workplace that is more supportive of all people and more diverse. In fact, many early diversity programs grew out of a company's EEO and affirmative action programs.

Modern concepts of diversity, however, have evolved beyond compliance-drive efforts around nondiscrimination and a narrow focus on protected classes and are instead aimed at realizing competitive advantage and business opportunity. In today's workplace, diversity has a broader focus, addressing issues and diversity characteristics far beyond those covered by law.

Inclusion is a related and critical concept. It describes the extent to which each person in an organization feels welcomed, respected, supported and valued as a team member. This requires people from diverse backgrounds to communicate and work together, and understand each other's needs and perspectives—in other words, demonstrate cultural competence. As I stated before, diversity and inclusion are aimed at realizing competitive advantage and business opportunity.² Employers voluntarily establish D&I policies for a variety of reasons, chief among them is the desire to attract the best talent to contribute to the organization and build a globally-competitive workforce. Other benefits cited by employers with a focused diversity effort include enhanced problem-solving efficiency, reflecting the local community, and increased creativity.

In 2010, SHRM released a *Workplace Diversity Practices* report addressing diversity practices in organizations from the perspective of HR professionals. According to SHRM members, the most important diversity practice outcomes are:

1. improved public image of the organization;
2. reduced costs associated with turnover, absenteeism and low productivity;
3. improved financial bottom line (profits);
4. increased organizational competitiveness;
5. decrease in complaints and litigation; and
6. retention of a diverse workforce.³

A well-designed D&I policy will align directly with the organization's key business objectives. Typically, these are the business objectives on which organizations measure and

² Society for Human Resource Management "Introduction to the Human Resources Discipline of Diversity," *Society for Human Resource Management*, 27 February 2012, <http://www.shrm.org/diversity> (accessed 10 April 2015).

³ Society for Human Resource Management. "Workplace Diversity Practices: How Has Diversity and Inclusion Changed Over Time?" <http://www.shrm.org/research/surveyfindings/articles/pages/workplacediversitypractices.aspx>. 12 October 2010.

compensate their senior leadership's performance. In for-profit companies, these objectives will relate to factors like sales, market share, profitability, corporate social responsibility and reputation.

In my experience, voluntary diversity efforts on the part of employers are to be encouraged and fostered. By fostering a culture of diversity and inclusion, organizations will attract and retain the highest level of talent. Diversity in the workplace is not limited to having people of different races, colors, sexes, ages, national origins, sexual orientations, and religions; it can include people of different abilities, work and life experiences, and different ways of thinking, hence, respecting freedom of thought is as important in bringing value to the workplace.

To fulfill the demand for skills, employers are widening their employee search to ensure they are encompassing skilled workers wherever they might be found, including within the communities of veterans, older workers, individuals with disabilities and the long-term unemployed. For example, according to 2015 SHRM Survey, more than three-fifths (61%) of organizations had attempted to capitalize on and incorporate the experience of older workers to "some extent" or a "great extent."⁴ Furthermore, in research commissioned in collaboration with SHRM and Cornell University's ILR School Employment and Disability Institute, nearly two-thirds (61%) of organizations include people with disabilities explicitly in their diversity and inclusion plans and 58% indicate training HR staff and supervisors on effectively interviewing people with disabilities"⁵

Internal and External Challenges Facing Organizations

Internal challenges

One internal challenge faced by organizations is change management. As SHRM's diversity toolkit makes clear, "Each organization has a maximum rate at which it can process cultural change. This depends in part on the organization's cultural competence and the magnitude of the gap between the current situation and the diversity initiative's objectives. Change management for voluntary diversity programs may occur in phases. For example, an

⁴ Society for Human Resource Management. "SHRM Survey Findings: The Aging Workforce—Recruitment and Retention." <http://www.shrm.org/research/surveyfindings/articles/pages/shrm-older-workers-recruitment-and-retention.aspx>. 12 January 2015.

⁵ Society for Human Resource Management. "SHRM Survey Findings: Employing People With Disabilities: Practices and Policies Related to Recruiting and Hiring Employees With Disabilities." <http://www.shrm.org/research/surveyfindings/articles/pages/employingpeoplewithdisabilitiespracticesandpoliciesrelatedtorecruitingandhiringemployeeswithdisabilities.aspx>. 11 April 2012.

organization might want to assign highest priority to change with the greatest business impact and by starting with domestic diversity issues and expanding later to address global aspects.”⁶

Second, while workplace diversity can yield benefits in innovation and group decision-making, it also requires understanding and respect for others. SHRM’s 2015 report on managing diversity published in conjunction with the Society for Industrial and Organizational Psychology (SHRM-SIOP report) identifies how social identity theory suggests that people value themselves in relation to their social group. “In simple terms, we like people from our own group more than people from other groups. This can lead to dysfunctional behavior such as incivility, biased decision-making, and ineffective group processes. Employees and managers, however, can disrupt these processes and enable positive interpersonal dynamics in several ways.” These strategies include organizational support and training managers to act as “supportive allies” for employees. As the study points out “individual phenomena, such as perceptions of supervisors, can have bottom-up influence on organization phenomena, such as climate. Specifically, the behaviors of ones’ immediate manager are regarded as key aspects of one’s perceptions of the work environment.”⁷

As part of the discussion of internal challenges, I wanted to address the Commission’s interest in implicit bias, also referred to as unconscious bias. I will state at the outset that my interest in unconscious bias stems from my interest in helping enhance workplace culture to build diversity and should be distinguished from the controversial use of unconscious bias in litigation against employers.

Unconscious bias plays a role in all human interaction and is an emerging focus for HR in the workplace. A recent HR Magazine article compiled the top focuses for 2015 from some of the foremost HR thought leaders. The article cites the related issues of employee engagement, culture, diversity and inclusion and unconscious bias as topics central to everything HR does.

Diversity consultant Howard Ross and his team have worked with clients in several dozen countries to get at the heart of what causes workplace bias. He found that people are suffering from a kind of diversity fatigue that comes from the typical “find them and fix them” training aimed only at people in a dominant group. Ross encourages everyone to examine their

⁶ Society for Human Resource Management “Introduction to the Human Resources Discipline of Diversity,” *Society for Human Resource Management*, 27 February 2012, <http://www.shrm.org/diversity> (accessed 10 April 2015).

⁷ King, Eden, and Gilrane, Veronica. “Social Science Strategies for Managing Diversity: Individual and Organizational Opportunities to Enhance Inclusion.” <http://www.shrm.org/Research/Documents/SHRM-SIOP%20Diversity.pdf>. Society for Human Resource Management and Society for Industrial and Organizational Psychology, 2015. (accessed 10 April 2015).

assumptions. “Bias is as natural to human beings as breathing,” he says. “And that gives us a new way to look at working with people.”⁸

Often, “Skin color, gender and age are generally what people think of when they consider biases, but individuals can harbor unconscious prejudice about myriad characteristics, including height and weight, introversion and extroversion, where someone attended college, or hobbies and extracurricular activities.”⁹ Of course, it’s also important to note that not all unconscious bias is prejudicial; indeed, some biases, such as the “halo effect,” may lead to an overly positive assessment of an individual.

Some employers, particularly large employers, are turning to training and consultants to educate managers about how this bias can affect hiring, promoting, mentoring and firing. Although in its infancy, a body of research is being developed on how employers can utilize strategies in the workplace to train employees to identify and counter potential unconscious biases.

Effective Practices for Addressing Internal Challenges

Effective practices for addressing these challenges include creating a voluntary diversity program that is flexible and tailored to the individual workplace as well as developing training to address gaps in knowledge and practices that are identified as the diversity program is implemented. As noted above, effective diversity initiatives require starting, planning, speaking and acting from key business priorities and are, therefore, unique to each individual workplace.

Key elements of an effective voluntary diversity program include the following:

- The CEO and management team must wholeheartedly support the diversity initiative. They must take the lead and make all employees aware of the importance of this initiative to the success of the business. According to 2014 SHRM survey results, when asked how CEOs have demonstrated support for diversity initiatives, 27 percent reported that the CEO makes sure corporate vision statements incorporate diversity and 15 percent reported their leadership meets regularly with employee resource groups on diversity and inclusion strategies. These numbers suggest that additional opportunities may exist to engage senior leadership of organizations in diversity and inclusion strategies.¹⁰

⁸ Wilkie, Dana. “2015: Hidden Bias, Unhappy Workers Among Top Issues for HR: Howard Ross identified as diversity training trendsetter.” <http://www.shrm.org/hrdisciplines/diversity/articles/pages/diversity-trends-2015.aspx>. 20 January 2015 (accessed 10 April 2015).

⁹ Wilkie, Dana. “Rooting Out Hidden Bias.” <http://www.shrm.org/publications/hrmagazine/editorialcontent/2014/1214/pages/1214-hidden-bias.aspx>. Society for Human Resource Management. 1 December 2014 (accessed 10 April 2015).

¹⁰ Society for Human Resource Management. “SHRM Survey Findings: Diversity and Inclusion.” <http://www.shrm.org/research/surveyfindings/articles/pages/diversity-inclusion.aspx>. April 8, 2014.

- The program needs to focus not only on attracting and retaining a diverse group of employees but also on being inclusive. That means the employer commits to providing *all* employees with challenging work, support to develop an authority within their specific jobs.
- The program should start with a needs assessment. Taking the time to identify and address specific needs helps a diversity program succeed. Employers must avoid merely “going through the motions” of a general diversity program. The needs assessment should include an evaluation of internal and external demographics to assess the need for and feasibility of adopting diversity goals. It should also include an evaluation of organizational policies, benefits and employee relations programs. Management may also want to conduct employee surveys and hold focus groups to determine employee opinions and to give employees a means to express their thoughts and concerns.
- The CEO and management team must set specific goals for the program and periodically assess progress. They may use data routinely collected on productivity, morale and retention to measure the success of the organization’s diversity initiative. This step is an important part of any diversity program as it allows the employer to reinforce what is working and revise what is not proving effective. The company must include diversity and inclusion in training programs for all employees and hold managers accountable for hiring, developing and retaining a diverse staff. It may also want to offer a mentoring program to help its diverse staff members with their career goals.¹¹ According to the 2010 SHRM Workplace Diversity Practices report, among companies with voluntary diversity practices in place, the percentage offering training opportunities increased slightly from 67% in 2005 to 71% in 2010. The percentage of companies providing mandatory training for top-level executives and non-managerial-level employees increased over the last five years¹².

Once an organization has implemented its diversity program, training may be designed to address specific issues that are subsequently revealed. According to the SHRM-SIOP report, although there is no one model for effective diversity training, several guiding principles have emerged:

First, content that concentrates on inclusion and focuses on multiple groups is preferable to group-specific (e.g., ethnicity) training as it prevents the potential for backlash – groups that are not the focus of the

¹¹ Society for Human Resource Management. “Diversity Initiatives: What key elements should an employer consider when creating a diversity program?” <http://www.shrm.org/templatestools/hrqa/pages/howdowebeginadiversityprogramandmakeitwork.aspx>. 25 March 2015.

¹² Society for Human Resource Management. “Workplace Diversity Practices: How Has Diversity and Inclusion Changed Over Time?” <http://www.shrm.org/research/surveyfindings/articles/pages/workplacediversitypractices.aspx>. 12 October 2010.

training may inadvertently feel guilty, overly sensitive or potentially offended by the training.

Second, course instruction that uses multiple techniques (e.g., lectures, role playing, interactive exercises) is described more positively in the literature than training using only one learning method (e.g., all lecture). Specifically, learning necessitates the balance between different learning styles – feeling, thinking, acting, and reflecting – which may be accomplished with various learning modes.

Third, coupling awareness-focused training with behavioral training may be more successful than awareness or attitudinal training alone, especially if the goal of the diversity program is behavioral change. Finally, research suggests that integrating training into an overarching diversity initiative may be preferable to launching a stand-alone training, as it communicates a message of organizational support for diversity, which may help to shift attitudes toward diversity.¹³

External Challenges

Employers continue to face external challenges in the areas of recruitment and promotional opportunities. The war for talent continues to be a key challenge for employers who are competing for the same talent. The impact of the economy in the past 5 years have limited employers' ability to build succession plans that would prepare employees for opportunities when the economy improves.

This war for talent is intensified as HR professionals continue to confront persistent gaps between the skills of the existing labor pool and the skills sought by employers to fill specific positions. One out of two (50 percent) organizations reported difficulty recruiting for full-time regular positions over the past year. One-half of those organizations (50 percent) cited lack of work experience, lack of the right technical skills, or competition from other employers as a primary reason for difficulty in hiring qualified candidates. HR professionals are also struggling to identify applicants with the basic skills needed to fill available jobs. More than two out of five HR professionals (42 percent) indicated that applicants did not possess basic computer skills and Thirty-one percent said applicants had insufficient skills in writing in English.¹⁴

¹³ King, Eden, and Gilrane, Veronica. "Social Science Strategies for Managing Diversity: Individual and Organizational Opportunities to Enhance Inclusion." <http://www.shrm.org/Research/Documents/SHRM-SIOP%20Diversity.pdf>. Society for Human Resource Management and Society for Industrial and Organizational Psychology, 2015. (accessed 10 April 2015).

¹⁴ Society for Human Resource Management "SHRM Economic Conditions -- Recruiting and Skills Gaps." <http://www.shrm.org/research/surveyfindings/articles/pages/shrm-economic-conditions-recruiting-skill-gaps.aspx>. 30 October 2014.

Another challenge in recruiting as it relates to the implementation of a diversity plan is finding targeted talent in an area where that targeted applicant pool is not available or not interested in organizations outside of their culture and/or neighborhoods. In these instances, employers find themselves accepting the fact that they will not be able to meet those specific diversity plan goals.

Effective Practices for Addressing External Challenges

A new law passed by Congress last year known as the Workforce Innovation and Opportunity Act (WIOA) may assist some employers in addressing the skills gap. WIOA authorizes federal employment and training programs, and is designed to help individuals acquire the knowledge and skills necessary for today's economy and to connect employers to the skilled workers they need. The law was designed to focus more on the skill demands of employers and developing strategies for meeting those needs. This may provide new opportunities for employers, including HR professionals, to strategically partner with the public workforce development system (including the American Job Centers) to make sure workers have the training and skills needed for jobs available in the local economy.

Recommendations for EEOC

EEOC has a long history of providing useful education and technical assistance to employers through its Training Institute. These sessions serve an important educational function for employers, especially smaller employers that may not have an HR department. I encourage you to continue providing this resource. Employers would welcome having an open dialog with EEOC on issues without fear of litigation.

In addition, EEOC issued a Commission Task Force report in 1997 identifying Best Practices of Private Sector Employers.¹⁵ The Task Force identified challenges to equal opportunity and identified noteworthy equal employment opportunity policies, programs, and practices of private sector employers. In the report, the Commission noted its important role in facilitating voluntary compliance through education, training, outreach, and policy guidance. Many of the challenges and effective practices identified in the Task Force report remain relevant today although new innovations have occurred. The Commission may want to consider updating and distributing this document.

¹⁵ Equal Employment Opportunity Commission. "Best Practices of Private Sector Employers." http://www.eeoc.gov/eeoc/task_reports/best_practices.cfm. EEOC, 1997 (accessed 10 April 2015).

Conclusion

Thank you for the opportunity to discuss an issue I feel strongly about—building a diverse and skilled workplace. As I've noted, equal opportunity laws play an important role in removing barriers for individuals in protected classes. HR professionals work tirelessly to ensure compliance with equal employment opportunity laws and to inform employees about their legal rights. Voluntary diversity and inclusion programs are an important complement to these laws. Today's increasingly global economy requires HR professionals to think creatively about developing a diversity and inclusion model that works for the unique needs of their organization.

A "one size fits all" model does not exist. Diversity and inclusion may mean something different depending on the size, location, industry, sector, or multinational status of the organization. SHRM looks forward to continuing an open dialogue with the Commission about effective diversity and inclusion strategies and how these strategies can evolve with the increasingly global needs of the workforce. As workplaces continue to become more global, diversity will become even more closely tied to organizational success.