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PEOPLE + STRATEGY

THE PROFESSIONAL JOURNAL OF THE SHRM EXECUTIVE NETWORK

PURSUING THE PROMISE

A Progress Report on
America's Racial Reckoning

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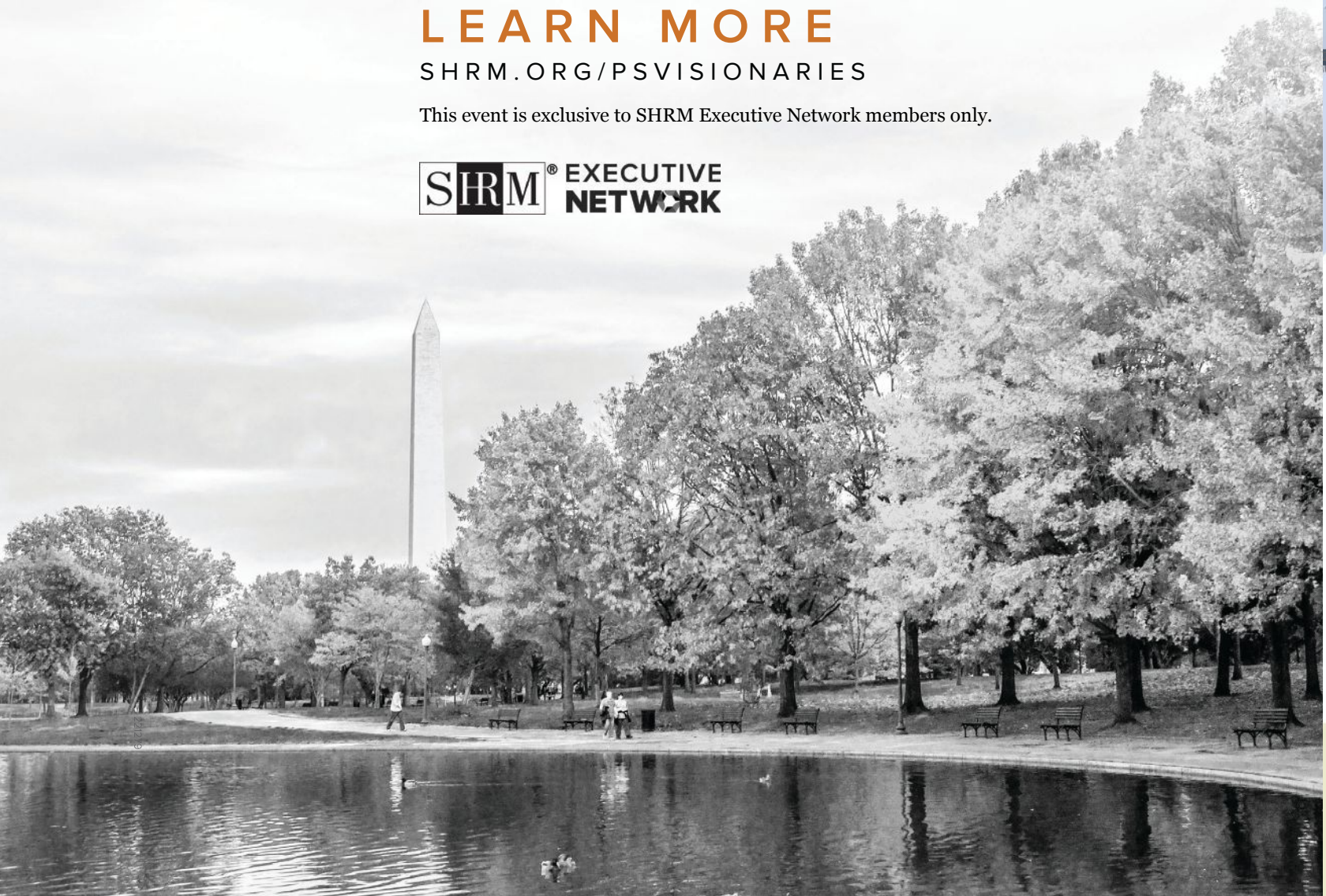
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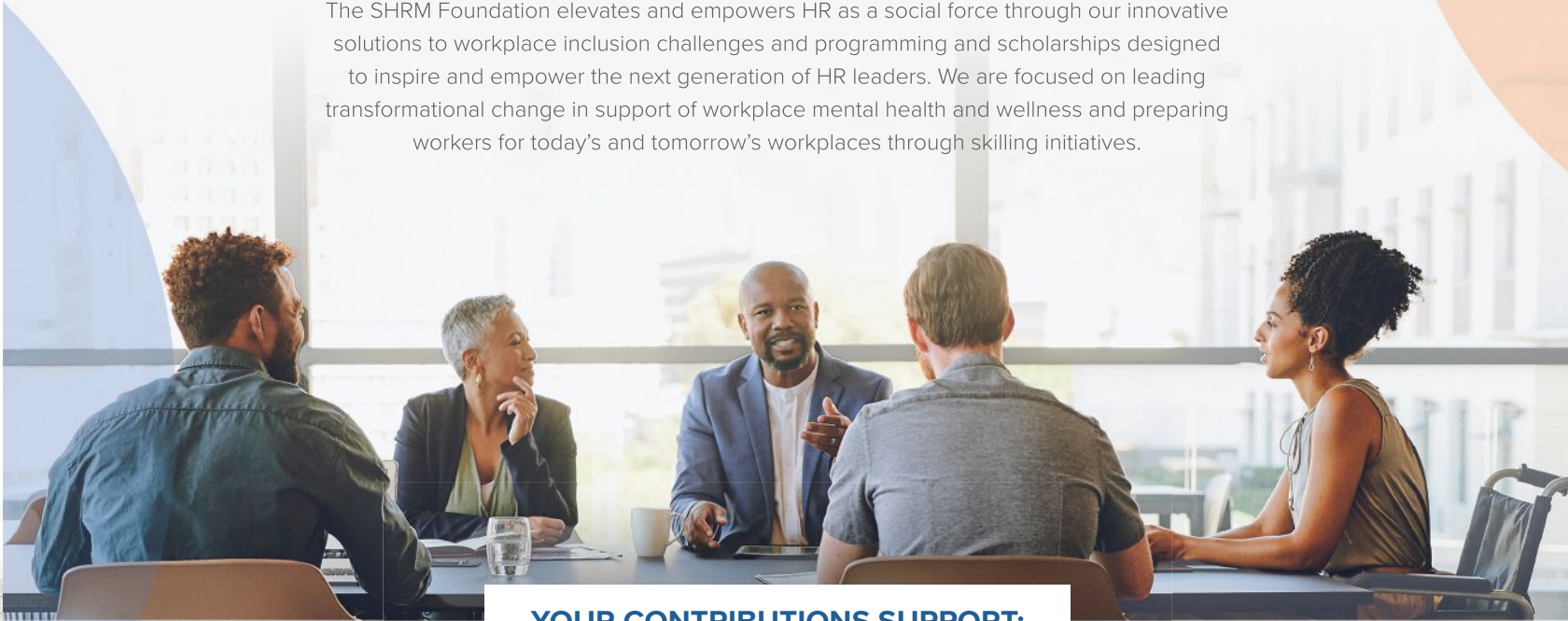
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Message from the President

Before Driving Change, Look for Change in Yourself



Three years ago, the murder of George Floyd sparked a public discourse around race that reverberates to this day. The message was clear: We could and should be doing more to foster racial equity in our society. Seemingly no corner of life escaped scrutiny. All institutions—from entertainment to education, religion to government—faced intense examination.

The world of work was no different. In a collective response to the racial reckoning, employers implemented sweeping inclusion, equity and diversity (IE&D) measures. Going further, we've added belonging and accessi-

bility to the mix. CHROs worked diligently to hold their organizations to account and vice versa. Amid their response to a pandemic, HR also transformed its approach to workplace culture and workforce development. HR sought—and frankly, workers demanded—culturally embedded IE&D in the workplace. Inclusion shifted from something “we did” to something “we are.”

I applaud our collective response and am proud of HR's work as a profession. However, I still wonder, “What more can we do?” Justifiably, we've focused on IE&D on a macro level. This inflection point in history is well documented. How much the world is changing is chronicled daily. Ultimately, how much we can change is in our hands. We've dissected the broad systemic issues and societal problems to diagnose the cause and prescribed macro-level remedies. Our progress relies on how much we narrow the aperture and identify what each of us can do in our daily journeys to close the gap. I wonder how we can infuse inclusion and diversity into our approach to race, age, gender, lifestyle and thinking.

I call on you as leaders in HR to explore what belonging, inclusion and empathy look like on a personal level—not just at work but in your personal lives. As the adage goes, “How you do anything is how you do everything.” The habits we practice are for all of life, personal and professional.

Does our head knowledge of diversity reverberate in our hearts? What are we doing in our relationships—both inside and outside work—to practice inclusion, to break old patterns? Are you stretching yourself? Have you listened with your eyes as well as your ears to learn someone's story or understand their life experiences? To fully accept someone, we must first understand them.

Before we cast judgment on others, let's first look in the mirror and assess our daily practice of inclusion. Let's measure our success not by the people we talk to but by the people we listen to, the diverse voices we hear. Let's gauge our success by the people we've grown to understand, those who don't look, think, act or live like me.

Before any training initiatives or companywide development programs, creating substantive change starts with us as leaders. We cannot ask more of organizations than we ask of ourselves. Before pushing for diversity in our organization, we must set the stage for inclusion in our own lives. Before we can truly drive change, we must first change ourselves.

Johnny C. Taylor, Jr., SHRM-SCP
President and CEO, SHRM



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to drive historic change in the world of work.

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Three Years Later, What's Changed?

The genesis of this edition of *People + Strategy* was straightforward: In the almost three years since the murder of George Floyd, what has changed?

At the most basic level, organizations and leaders have said the right things, voiced the correct commitments and pledged resources to make shifts in the Black experience within their corporate walls. But at a more granular level, much of that has lacked impact.

As the economy tightened in 2022, chief diversity officers and their teams were often included in the initial waves of job cuts. While the job market has been especially hot for senior Black executives, the internal leadership development pipelines below those high-profile hires have remained largely unchanged.

In one *Fortune* 50 company we spoke with, the global head of talent told us, “We spent the latter part of 2021 identifying diverse high potentials across the organization. Then in the first quarter of 2022, we drew up our succession plans for the key roles across the company. Those two lists had almost no overlap.”

With the caveat that change—and particularly systemic change—takes time, as business leaders we are responsible for producing results and demonstrating actual impact. Efforts and a story about good intentions aren't enough. So the organizing principle for our editorial board heading into this issue was to find organizations and leaders who have made an impact on racial equity in their organizations, ask them how they've done it, and then put those ideas and practices into circulation for fellow senior leaders across the readership of *People + Strategy*.

We also checked in with a variety of stakeholders, from what Millennials and Gen. Z members are seeing (and believing) about what is actually changing, to CEOs, board members and senior HR leaders. In addition to talking about

Organizations have said the right things and pledged resources, but much of that has lacked impact.

how they've operationalized their intentions, part of what is interesting here—if you look at the Big Question, the Directors Roundtable and the Research + Insights statistics—is the different sentiments and even definitions of what “good” would look like from these different constituencies.

As leaders, we don't get to choose our stakeholders. But we can help set clear boundaries of how we are defining performance against objectives. Perhaps one of the takeaways from this is that organizations can do a better job on three fronts:

- Clarify for their constituencies how the organization will define success;
- Become operationally granular about how the organization will deliver on those goals (and who will be held accountable);
- And, because the work is hard and the visibility not apparent, do a better job at talking about successes, struggles and strategies to scale future efforts in a sustainable manner.

Thanks for joining the conversation, and we look forward to your contributions to this dialogue. Even more, we look forward to hearing about your impact.

Kind regards,

A handwritten signature in black ink that reads "David Reimer". The signature is fluid and cursive, with a large initial 'D' and 'R'.

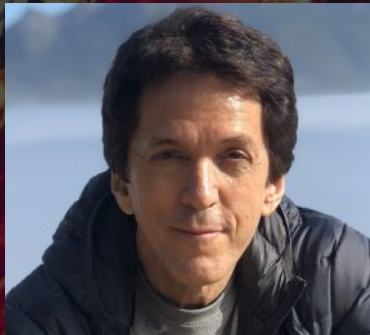
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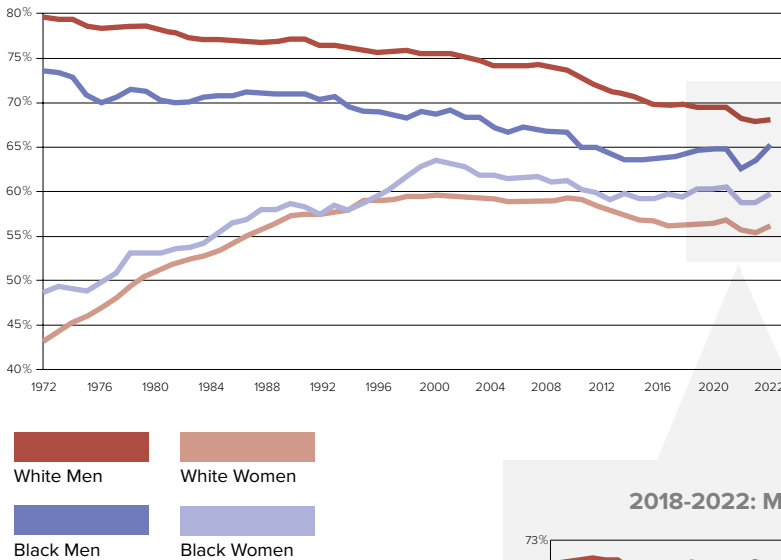
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**SHRM23 Tuesday Night Concert will only be available to in-person pass holders.

The American Workforce: A Snapshot of Race, Ethnicity and Gender

WHO IS WORKING

Annual labor force participation rates, by race and gender



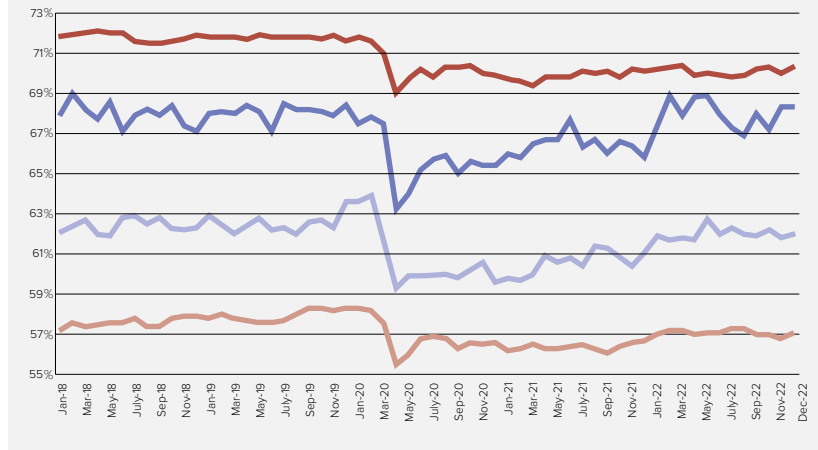
The past 50 years: The rise of women, the decline of men in the workforce

Since 1972, the percentage of women in the labor force has risen while the percentage of men steadily declined. Among males, the gap between the percentage of Black men and white men in the workforce has tightened in the past few years. Black women, meanwhile, have outpaced white women in the labor force historically. Economic recessions cause steeper drops in labor participation among Black workers, including those seen during the COVID-19 pandemic.

Post pandemic, most returned to workforce—not white males

While Black men and Black women saw the largest exodus from the workforce during the peak of the pandemic, both groups have rebounded over the past two years to match or exceed their pre-pandemic labor force participation rates. Meanwhile, white men are the one group that has not returned to the workforce in the same numbers.

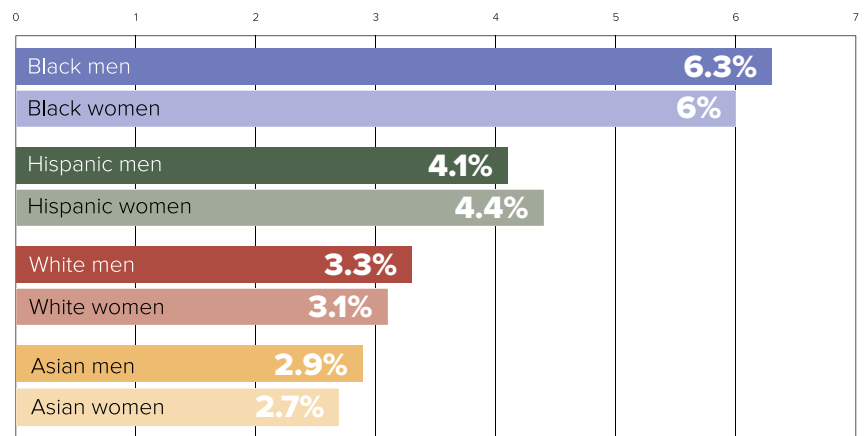
2018-2022: Monthly labor force participation rates



Black workers are unemployed the most—and the longest

Overall, unemployment has improved since the depths of the pandemic, when the unemployment rate peaked at 13 percent. But in 2022, Black men still had the highest rates of unemployment, followed by Black women. Black men and women also spend more time unemployed—an average of 26.2 weeks and 25.1 weeks, respectively—compared to white men and white women, who average only 22.7 weeks and 19.8 weeks on unemployment, respectively.

U.S. unemployment rate, 2022 annual average by race/ethnicity and gender



Source for all charts: U.S. Bureau of Labor Statistics, Current Population Survey. Note: People whose ethnicity is identified as Hispanic or Latino may be of any race.

WHERE THEY WORK

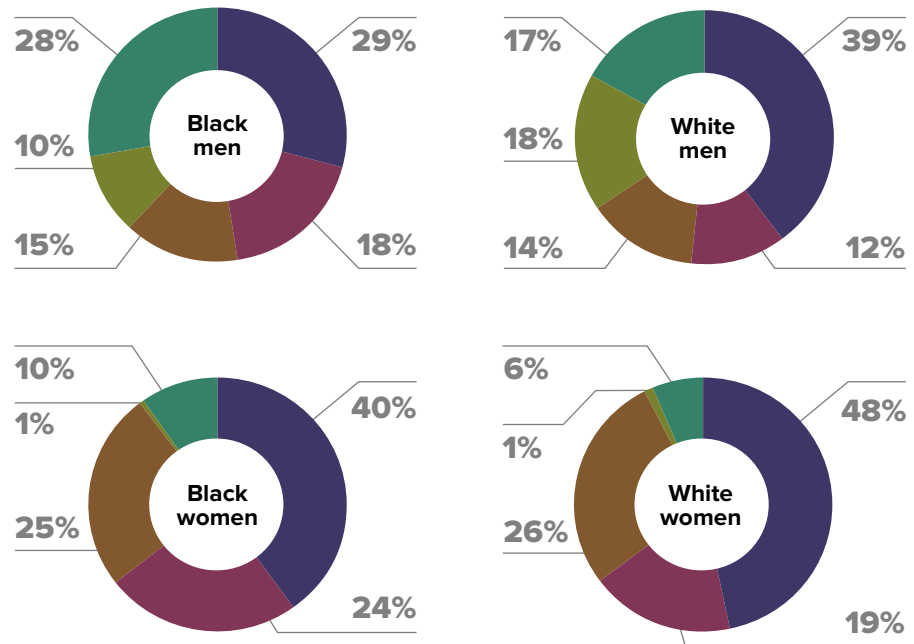
Black employees are underrepresented in higher-wage, fast-growth jobs

In 2022, Black men were disproportionately more likely to work in production, transportation and material-moving occupations, while white men were more likely to work in management, professional or related occupations, including business and finance roles. Black women were more likely to work in service occupations compared to their white counterparts, especially in healthcare support occupations.

At the highest level, the number of Black CEOs of *Fortune* 500 companies hit a record in 2022, but that only accounted for six Black CEOs, barely making up 1 percent of that group. If the CEO makeup of the *Fortune* 500 reflected the current U.S. demographics, there would be about 65 Black CEOs (13.5 percent) leading America's largest public companies.

(Find more occupational data, including data for Asian and Hispanic workers, in our online interactive charts at shrm.org/EN-diversitydata.)

Occupation type, by race and gender

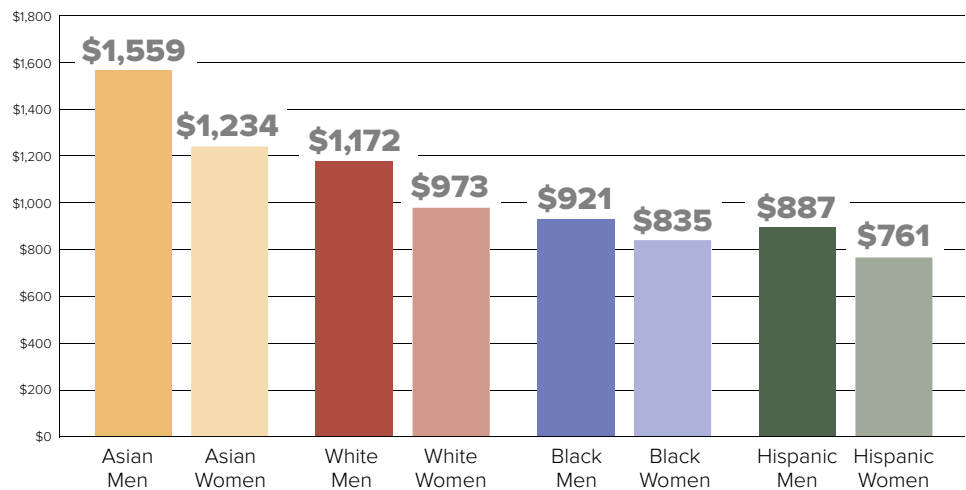


WHAT THEY EARN

Black and Hispanic employees are on low end of earning scale

The pay gap between Black and white workers has existed since the federal government began reporting earnings by race in the 1970s—and the gender pay gap only adds to the disparity. As noted above, Black workers tend to be underrepresented in industries with higher-wage jobs. While the types of jobs and hours worked among each race/gender are worth examining, the overall median weekly earnings in 2022 paint a stark picture of the barriers left to overcome in pursuit of pay equity.

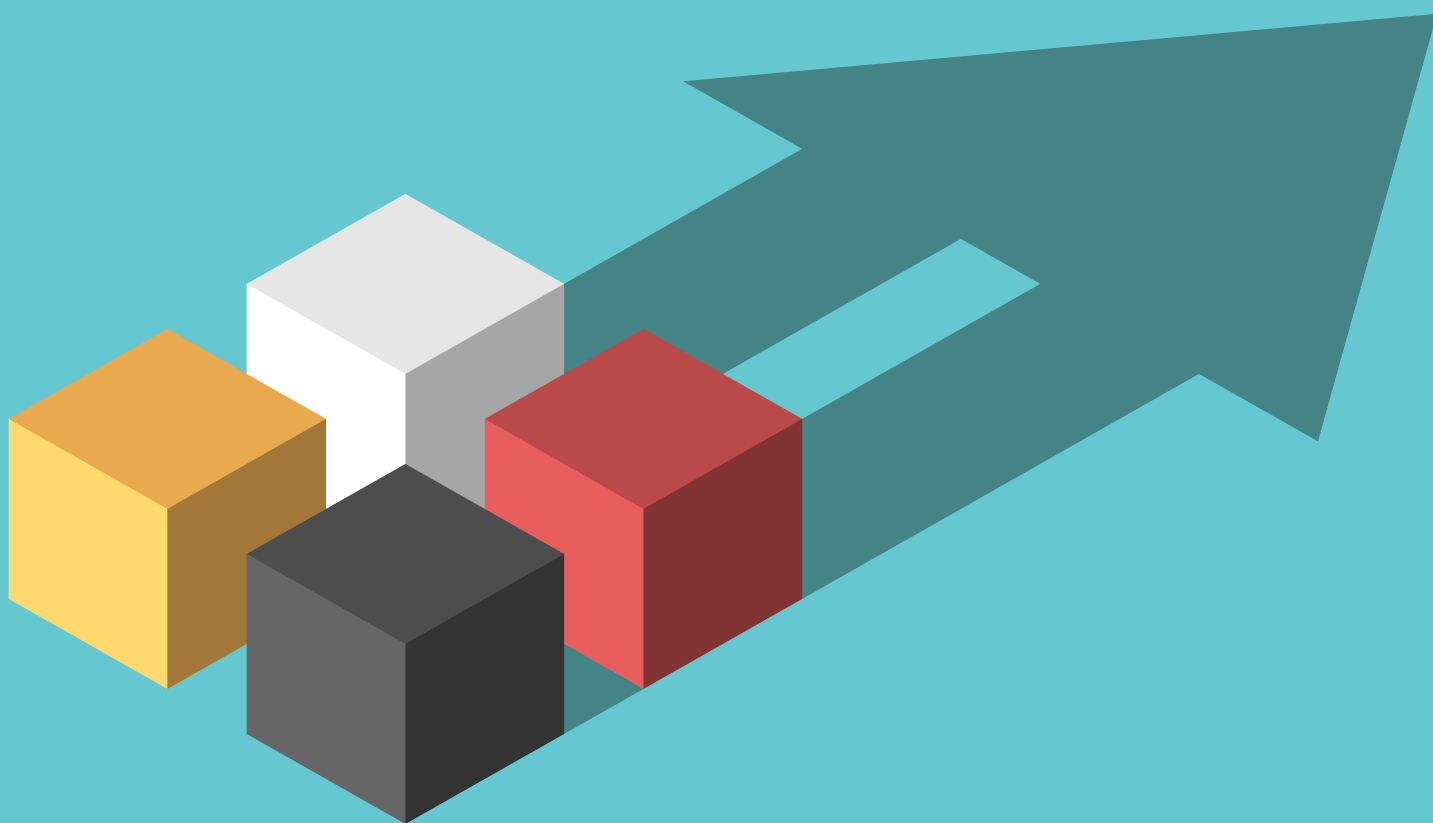
Median usual weekly earnings of full-time wage and salary workers by race/ethnicity and gender



DISCOVER MORE ONLINE For more detailed, interactive demographic data, visit SHRM.org/EN-diversitydata

Still a Long Way to Go: The View from Young Black Leaders

For all the commitments by organizations in recent years around DE&I, how much real progress has been made? To broaden the range of perspectives on this issue—and discuss what still needs to change—*People + Strategy* articles editor Adam Bryant hosted a roundtable discussion with three young professionals. The Posse Foundation, a nonprofit that partners with U.S. colleges and universities to provide student scholarships and leadership training, provided introductions to the three participants, each of whom is a Posse Scholar.



A roundtable discussion with:

Niani Tolbert, speaker, consultant and the founder and CEO of the #HireBlack Initiative

Desmond Austin-Miller, a senior consultant at Deloitte in Washington, D.C.

Christopher Dean, an attorney in the Northern California office of Burris, Nisenbaum, Curry & Lacy

People + Strategy: Let's start with the big-picture question. Has there been real progress since the murder of George Floyd, when so many companies promised to do more and do better?

Niani Tolbert: There was so much rallying and support at first, but it has definitely diminished. Last year, a lot of funding for diversity programs was paused, or those programs were shifted to become non-diversity programs. For example, one of my clients started a rotation program specifically for Black and Latinx people, but then they broadened it to make it available to everyone.

The waning interest is exacerbated by what's happening in the economy. With all these layoffs at big tech companies, we hear about other firms trying to hire those people because they see them as a "gold mine" for talent now. That just reinforces the notion of elitism that diversity programs are trying to address. Companies are now letting go

of other approaches to hiring that they had adopted when the market for talent was tighter.

One challenge I see is that the commitments were not matched with the necessary infrastructure to implement the change. And that infrastructure means there is going to be a certain amount of tension in the organization, because you need that tension to effect change.

Desmond Austin-Miller: In that first year and a half after George Floyd's murder, there was a sharp increase across so many industries in efforts to find training programs, resources and facilitators with expertise in DE&I. Companies saw it as a core part of how they were going to be successful. Three years after that groundswell of support, it's become a bit muddied, and it's not clear what has happened to some of those huge investments.

In many cases, diverse employees are having to direct and guide where those resources go, and it's a very fraught and difficult process to navigate. A friend told me, for example, that he felt like he had to put his career on hold in order to manage all the DE&I investments and resources that were coming his way. He's an engineer, but he has sidelined himself in that engineering work to focus full-time on DE&I.

And to Niani's point about infrastructure, companies want proof points and successful case studies to justify their investments. But change doesn't just happen overnight. You don't just decide to spend money in a certain area and then your investment comes back many times over right away.

One thing that I've seen with clients across industries is that if a company wants to start a DE&I program, they often get hung up on the questions of, "How are we going to know that we had an impact? What are we measuring, and how are we going to know that we were successful?" They are already so focused on the end result without doing the work to think through what's needed in order to get to that impact. That kind of action-reaction, input-output thinking can really hamper some DE&I efforts, which take time to put into place.

Christopher Dean: A lot of companies did show their support at first and made commitments with respect to diversity. Many companies said they support Black Lives Matter and created initiatives to support a cause.

Many things they said they wanted to do or implement have not really come to fruition. Some larger companies have not put certain initiatives in place or put diversity at their core. Although George Floyd's death sparked a larger conversation and led to people being interested to put initiatives in place, it has, in essence, just been performative.

Tolbert: And because of that focus Desmond mentioned on the quantitative approach, that can result in a lack of research into the experience of marginalized employees. For example, a lot of companies may not prioritize doing exit interviews as part of their efforts around retention. Or they do those interviews, but they are conducted by supervisors or by someone who is not seen as a neutral third party.

'There is now more than a surface-level awareness of racism and microaggressions. But there is almost an ironic aspect to that awareness. ... People see it more as an organizational, systemic problem, rather than putting the onus on themselves to change behaviors. Because people are acknowledging that it permeates all levels of our society and workplaces, that almost makes it seem more impossible to tackle as an individual.'

—Desmond Austin-Miller



The Big Question

It's important to have DE&I specialists conducting these exit interviews because this research helps you understand what's behind the numbers. It's important to uplift and amplify the people who have been impacted to show that you are making a difference for them.

Dean: That's a great point, because those exit interviews are so important to give you the data so you can focus on the changes that need to be made in your company's culture. In those interviews, you can ask people not only for the reason they are leaving, but also what the company can do to improve. Ultimately, you want to get that feedback from your employees, even though it doesn't necessarily happen at a lot of big companies.

P+S: At a personal level, do you feel like progress has been made? Not only in terms of broader awareness about systemic racism in this country, but also just your experience day-to-day?

Austin-Miller: I have seen a marked increase in the diversity of teams, organizations and the different communities that I belong to. With the workspaces I walk into, or my colleagues or my friends walk into, there is now more than a surface-level awareness of racism and microaggressions. But there is almost an ironic aspect to that awareness. Things are being done to lessen or alleviate those things, but people see it more as an organizational, systemic

problem rather than putting the onus on themselves to change behaviors. Because people are acknowledging that it permeates all levels of our society and workplaces, that almost makes it seem more impossible to tackle as an individual.

Progress still relies too heavily on the actions, behaviors and overall involvement of diverse practitioners across organizations. We are the ones who are on the ground driving to make our workplaces look different and feel more inclusive. Until that changes, and until the people who have the lowest stakes in this type of work start to take most of the responsibility for it, there will continue to be an uneven sense of progress and waning interest.

Dean: I live in the legal world, and we have seen some progress in many states in terms of the laws they are enacting with respect to how officers have encounters with civilians. But police misconduct and racism still exists. And as a Black man, I still feel the same pressures that Black men have faced for a long time.

Tolbert: It has been exhausting for many marginalized folks who have been taking on additional research or speaking out or have been in DE&I positions to try to change what's going on, particularly as we enter spaces that weren't necessarily built for us. We face silent rules in navigating the workplace. We have to code switch, educate others, and also balance that with being authentic to ourselves so that we can

create meaningful relationships. That is an exhausting experience.

We expected that the murder of George Floyd would be a catalyst for transformation, but we don't want our oppression to be a trend, to feel it is somehow conditional. For example, in 2019 the Crown Act, which stands for Creating a Respectful and Open World for Natural Hair, was created. It is a policy to protect against discrimination based on race-based hairstyles at work and at public schools. While there is support and awareness behind it, in December 2022, the Senate blocked it from becoming law nationally.

There are about 20 states that have supported the CROWN Act by outlawing hair discrimination, but the fact that we don't get that federal support is so disappointing. And these are the kind of small things that we experience every day that continue to show that our existence is not appreciated. We see some progress, but we're continually told that our existence has to be changed in order to be professional. We're continually reminded that professionalism is a Eurocentric concept and that we don't belong.

Dean: I totally agree. I have friends who wanted to enter the professional arena, and they made these modifications to themselves, such as cutting their hair. That is something I have prided myself on in my career—that if an employer doesn't find value in the way that I look, then ultimately, I don't want to be part of that firm.

Austin-Miller: Over the last three years, I've been asked to take part in so many panel discussions and conversations about race. And while I almost always enthusiastically raise my hand and say "Yes," it's very tiring as a Black man. The Japanese have this interesting saying about how we have three faces. We have the face that we show our friends and family, the face we show our co-workers and a third face that only you see. For me, as a Black man, it's like I have a fourth face that I have to put on for pretty much anybody who's not Black. That performance is exhausting.



'We see some progress, but we're continually told that our existence has to be changed in order to be professional. We're continually reminded that professionalism is a Eurocentric concept and that we don't belong.'

—Niani Tolbert

‘Companies have to be motivated to have DE&I incorporated in their values and their long-term strategy. ... The future is going to be blended and different, and HR executives have to be looking at how they can really incorporate these broad shifts into their future planning. It can’t be just about addressing a hot topic.’

—Christopher Dean



P+S: What advice do you have for HR leaders?

Austin-Miller: As HR professionals are trying to make their workplaces more diverse and inclusive, there is this kind of chicken-and-egg problem. Companies will say they want more Black talent in their organizations, and then they recruit them into the junior ranks. But as they are making their way up, you begin to see high attrition at the mid-career level. And it’s usually because those mid-career employees feel like they don’t have anyone at the executive level at their organization who looks like them or has similar life experiences.

The chicken-and-egg problem is that you want Black talent to come to your organization and you want them to work their way up the ranks and become leaders, but you don’t have any leaders that look like them at your organization currently. But in order to get them, you have to develop those leaders.

To solve this chicken-and-egg issue, you need to be making investments without constantly looking for an immediate return. Maybe you need to simply make more ambitious investments to bring in and keep Black talent. You need to think of unconventional approaches to solving this chicken-and-egg problem, because it’s not going to get solved on its own.

Dean: Companies have to be motivated by creating a sustainable infrastructure that is more than just a desire to create something because they want to say that we support DE&I. They have to be motivated to have DE&I incorporated in their values and their long-term strategy. The future is going to be blended and different, and HR executives have to be looking at how they can really

incorporate these broad shifts into their future planning. It can’t be just about addressing a hot topic.

Tolbert: We need to recognize that the recruiting process is inherently biased and needs to be restructured. Whether you source from platforms like LinkedIn, or vet resumes or rely on referrals, elitism tends to disqualify and limit the number of diverse candidates you see. So you have to do a lot of research outside of simply going to HBCUs.

And then to increase retention, you need to look at the needs of employees. There are deep systems we need to address. As just one example, women are the key breadwinner at about 80 percent of Black families, so childcare assistance is also a huge aspect of DE&I. Companies also need to ensure there is transparency around pay equity. Because of the racial wealth gap, a lot of Black people don’t feel like they have the power to negotiate while our backs are to the wall. Companies need to really understand how the system has affected and currently affects us in order to help us be a great addition to the organization.

P+S: Let’s fast-forward. Is the conversation going to be different when each of you is 60 years old?

Austin-Miller: I don’t think that a lot of the issues we’re talking about now will suddenly be solved or will be no longer relevant. They’ll have just changed a little bit. Yes, our generation is a lot different now than the current generation that’s in power. But I do think these behaviors and systems take several generations to change, not just one or two. I often think about the difference between myself and my grandmother,

who didn’t finish elementary school. Progress plays out over generations.

Of course, workplaces will be more diverse over time. That’s the way that our country is trending from a demographic standpoint. But ideologically, our country is splitting in two. It’s going to be interesting to see how those two halves continue to develop by the time my generation is in their sixties and in positions of leadership. Will we continue to bifurcate as a country or come together a bit more? What is that trajectory going to be, and what impact will it have on our communities and workplaces?

Dean: I’m optimistic about the advancements we will have made in conversations like this. As we know, we have made some advancements after centuries of oppression. We always have these conversations, but my hope is to also see them backed up more with more action and concrete steps.

Tolbert: A lot of progress has been made. But is the world going to be what I want it to look like when I’m 60? Probably not. There needs to be more representation in leadership positions, which are still mostly held by white men. We need to see more people of color, women, trans and nonbinary people, and neurodivergent or people with disabilities in those roles. There has to be that representation in leadership teams. There has to be representation in policymaking. There has to be representation even when it comes to lobbying. I recognize that a lot of hard work has been done to get us to where we are today. I think that there will be a lot of progress in the future, but that will require a lot more hard work. We need access. ■

PROMISES KEPT

Three Companies Living Up to
2020's Pledge for Racial Equity

By James D. White and Krista White



Like much of the corporate world and society at large, 2020 was a turning point for Schnucks Supermarkets. The regional chain, based in a historically conservative part of Missouri, quietly became a great example of what it means to be an anti-racist company.

Since the murder of George Floyd in 2020, the Schnucks' CEO, DE&I director, chief marketing officer and the chief people officer have met every week to align on their DE&I priorities. They also meet with me (James), a board member, every month. It is this commitment—CEO engagement, weekly check-ins and a focused campaign (“Unity Is Power: We Stand Together Against Racism”)—that has helped them reach their DE&I goals.

We saw the stunning surge of anti-racist proclamations and promises that came from corporate America three years ago, but many of the systemic issues have not budged. There are companies like Schnucks, whose efforts we will describe in this article, that have followed through on their anti-racist promises and can provide a roadmap for others.

2020 was also a tipping point for us as we worked on our book, *Anti-Racist Leadership: How to Transform Corporate Culture in A Race-Conscious World* (Harvard Business Review Press, 2022). We realized the time was past due for leaders to get off the fence when it came to social justice. We initially began collaborating on a book after working together consulting for corporations and realizing that James' perspective—that of a former corporate CEO and current board chair—was missing from the DE&I discussion. The book is written on the premise that cultural transformation must be led from the top down. The CEO cannot delegate anti-racist leadership. Only the CEO holds the power to make the changes necessary to cascade a culture shift throughout the entire organization.

Guiding Principles

In addition to CEO-led changes, some of the other guiding principles we landed on include the formation of action learning teams (also called task forces or sprint teams), leading with empathy, a focus on intersectionality and unlocking middle management and HR.

Action learning, as outlined by Noel Tichy in *The Leadership Engine* (Harper Collins, 2009), is a process by which small, cross-functional groups work on problems. They help organizations develop dynamic, creative solutions and strategies. Setting up action learning teams is the most inclusive way to address strategic challenges, and it can be used in response to any challenge, including DE&I.

Empathy is the cornerstone of anti-racism, which turns into compassion and then action. When we asked leaders whether empathy was a skill that could be developed, they told us that listening was the key to building that muscle. Formalized opportunities to listen, such as town halls, roundtable discussions or regular one-to-ones, are effective.

Creating a safe space for employees to have honest conversations requires transparency and humility from leaders.

It is also our belief that true anti-racist leadership requires a focus on intersectionality. Introduced to feminist theory by Kimberlé Crenshaw in the 1980s, intersectionality initially referred to the experiences of Black women and women of color, but it is now also applied broadly to how identity may affect the fullness of our human experiences. There is no anti-racism without feminism, without LGBTQIA+ and disability rights, without empathy for all the intersections of marginalized identity.

In practice, one way to systemically build intersectionality into your DE&I policy is by disaggregating your demographic and employee experience data to capture more specific feedback from various populations. In the future, for example, that may mean abandoning the broad categories of “women and minorities,” which tends to erase women of color.

Some “don'ts” that we've learned? Don't bite off more than you can chew or try to “set it and forget it.” Anti-racism is ongoing, multi-year work that will need to be revisited consistently. If you take on too big or too vague of a goal, you are setting yourself up for failure. Be honest about where you stand and where you can realistically be in 30 days, next quarter or next year.

Anti-Racist Leadership in Practice

Three years after companies made sweeping promises about anti-racism, it has become clear there is still much work to be done. In the past few years, we've seen the rise of anti-Asian racism, anti-Semitism, anti-queer and trans attacks, along with other hateful trends. We remain in a precarious and polarized period of history.

With their enormous impact on our society, corporations are in the position to shift the tide, one way or another. While corporate America made many proclamations after the murder of George Floyd that have fallen short, here we share case studies of companies we've worked with that are on the right track. The greatest progress is made by companies that have buy-in from the CEO, integrated DE&I education and strategies with measurable goals. ■■



James D. White is the former CEO of Jamba Juice. He currently chairs the board of the Honest Company and serves on several other boards. He is the author, with his daughter Krista, of the book *Anti-Racist Leadership: How to Transform Corporate Culture in a Race-Conscious World* (Harvard Business Review Press, 2022).



Krista White is a writer and purpose-driven entrepreneur. She is the founder and CEO of Kiki For The Future and the co-founder of Culture Design Lab, two DE&I-focused startups.

THE BAY CLUB: LISTEN, LEARN, EDUCATE & EMPOWER



GOAL: The luxury sports club company set a goal in 2020 of “Listen. Learn. Educate. Empower.” It felt the biggest impact could be made with their associates, followed by their members and local community. Leaders created an education coffee-chat series, a space for learning and discussing diversity,

inclusion and belonging. They were also transparent with their members about their DE&I efforts and continued to find ways to provide support, opportunities and resources to marginalized groups in their local communities.

PROGRESS: In the first year of its efforts, Bay Club saw positive shifts in company culture and stronger relationships with the communities they serve. It was a good start, but they knew they could do better. As of February 2022, women and people of color represented:

- 81 percent of the entire employee population
- 40 percent of employees at the SVP level and higher
- 59 percent of employees at VP and above
- 72 percent of the employees at all leadership levels.

It's worth noting that these numbers are already high, even for the hospitality industry, which employs a disproportionate number of women and people of color, particularly at the individual contributor level. The company focused on the second statistic and set a goal of reaching 50 percent women and people of color at the SVP & above level. They achieved that goal in October 2022. Bay Club has a plan to continue to maintain and work toward a more diverse workforce through recruitment and promotional efforts.

LEARNINGS: Over the past few years, Bay Club's leadership found that adopting a “less is more” approach leads to the greatest impact. When people are really passionate about something, they tend to want to show impact right away. The Bay Club was no different and wanted to get involved with so many things and apply their resources. However, they quickly learned that a more focused approach would be more effective. With that, they worked collaboratively to align, set goals, focus on a few things and do them well. Trusting the process and being patient are also key.

Another lesson was that leading with empathy is the foundation for creating the culture they seek. Empathy allows you to meet people where they are, which is a vital skill when engaging in some DE&I topics. People know what they know based on

BAY CLUB'S LEADERSHIP FOUND THAT ADOPTING A 'LESS IS MORE' APPROACH LEADS TO THE GREATEST IMPACT. THEY WORKED COLLABORATIVELY TO ALIGN, SET GOALS, FOCUS ON A FEW THINGS AND DO THEM WELL.

their everyday lived experiences. Recognizing your own cultural lens, having the ability to understand and adapting across cultural differences is a skill that requires empathy, intent and ongoing practice. Meeting people where they are has been a powerful tool for gauging readiness for these hard conversations and evaluating how effective their DE&I education series can be.

A third learning was to lead from the front and top-down. The company found that leadership's engagement in DE&I efforts is critical to enhancing their culture. Associates take cues from their leaders, so senior leadership engagement has to be at the forefront and authentic. They set the tone with their support, words and actions. This ensures more participation and buy-in from frontline team members and creates a sense of safety for them.

And finally, DE&I has to be woven into the fabric of the organization. It can't be a standalone or siloed initiative. When fostering an inclusive culture, you have to think outside of race, gender, sexuality, ability, etc. It's important to understand that to be a truly inclusive organization, we must respect the diversity of thought, backgrounds, values and beliefs of all employees. We must engage all levels of staff, from C-suite to frontline staff. We also have to engage our members and community. DE&I is a shared responsibility.

NEXT STEPS: In year three of their program, they transitioned to Bay Club in Action, with four priorities for 2023:

1. Recruitment: Foster career opportunities for women and people of color to ensure a diverse and equitable team.
2. Community partnerships.
3. Education series/coffee chats.
4. Philanthropy.

MEDALLIA: SET CLEAR GOALS & TIE THEM TO COMP



GOAL: Medallia, an employee experience software company, made a broad range of commitments in 2020, including the top priority of increasing its Black employee population in the United States. At the time, their team was only 1 percent Black. They set goals to reach 3 percent Black employees by February

2021, 6 percent by February 2022 and 13 percent by February 2023, in order to reach parity with Black representation in the United States.

PROGRESS: Medallia reached the first two representation goals and nearly all of its other goals related to increasing funding and support for DE&I. While they are not quite on track to achieve their third goal, they are continuing to move forward.

LEARNINGS: Like Bay Club, Medallia's leaders realized the power of the CEO to mobilize the company and create shared accountability. Their CEO set their DE&I goals and made the bold move of tying them to executive compensation. The company used data to chart their course, with monthly reporting on talent acquisition and using a DE&I lens to monitor employee experience and attrition.

Medallia unlocked the power of their ERG communities by providing funding for the communities and introducing new

MEDALLIA'S LEADERS REALIZED THE POWER OF THE CEO TO MOBILIZE THE COMPANY AND CREATE SHARED ACCOUNTABILITY.

programs like ERG leader recognition and their ERG Executive Sponsorship.

Finally, they learned the limitations of goal setting: They didn't have the hiring growth they would need to hit the 13 percent goal in 2023, and the employee populations of the companies they acquired were more homogenous than Medallia.

NEXT STEPS: Going forward, Medallia set the following goals:

1. Continue to push parity as a long-term goal.
2. Put more focus on management and leadership goals, and more diversity in the leadership group.
3. Continue DEI&B education and workshops, with an emphasis on providing support to global employee populations.
4. Continue their town hall series.



SCHNUCKS: UNITY IS POWER



GOAL: While Schnucks already had DE&I infrastructure in place, the company created in 2020 a “Unity Is Power” strategy that was organized around three initiatives: people, investments and communities.

PROGRESS: They implemented tools to help employees talk about sensitive

and complex topics related to diversity, equity and inclusion through “Courageous Conversations.” They implemented Listening Sessions to better understand and learn from the lived experiences of their teammates of color and community leaders. Additional actions included implementing a supplier diversity program, revising their hiring and advancement practices and partnering with community leaders. Schnucks also

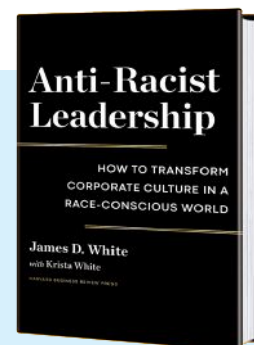
now requires all of its career development programs to have 30 percent or more participants from an underrepresented group—a metric they track monthly.

LEARNINGS: 2020 tested Schnucks’ mettle—and they learned that they will steadfastly move forward. They also learned how to support and care for their people by creating a safe space for dialogues on equity and inclusion. And they learned how deeply the empathy and compassion of their workforce ran, coming together to respond to crisis.

NEXT STEPS: Schnucks will continue institutionalizing DE&I and anti-racism throughout the organization, cascading more of the training throughout the company. They will also take a multicultural approach to discussions of race, bringing in speakers and educators from a wide variety of backgrounds and will continue to increase diverse representation in leadership throughout the organization.

7 STEPS TO ANTI-RACIST LEADERSHIP by James D. White and Krista White

Anti-racism isn’t a destination; it’s a daily practice. As demonstrated in these case studies, it is possible to make real change with CEO-led DE&I efforts, measurable goals and ongoing educational programming. We hope to see corporate America continue to become an agent for positive change in the fight for racial equity. It takes us all. From our work with the companies in this article and others, we’ve outlined seven steps to continue or start on a sustainable anti-racist leadership journey:



- 1. Actively listen and learn.** This means setting up formal opportunities to take the pulse of the organization. This approach can include town halls or smaller roundtable discussions.
- 2. Enlist and align across the senior leadership team.** You need their buy-in to get the work done. You can start with the business case for DE&I, but you have to take yourselves on a continuous learning journey so that you are on the same page, perhaps inviting speakers in to talk to your company on the topic of race. From there, you need to let your senior teams know the incentives for carrying out a thoughtful DE&I plan.
- 3. Audit the culture. If it matters, measure it.** You can compare past statements of intent to current practice. There are many pulse surveys and employee-engagement surveys you can use to get a snapshot of employee perceptions. It’s also key to start digging into your demographic data about recruitment, hiring, promotions and retention. Don’t skip disaggregating the data. For example, perhaps women of color have a different experience inside your company than white women. Also consider making these findings public as a way to keep yourself accountable to your goals.
- 4. Document what you’re doing now.** Compile your cultural audit into a factual “state of the organization” in order to have a clear idea of where you stand.
- 5. Establish benchmarks.** Measure your progress against your internal goals as well as measurements that show how your results stack up against those of industry competitors, other businesses in your geographic purview and society at large. This gives you a more comprehensive view of where you stand quarterly and annually.
- 6. Build action-learning teams or task forces.** These are small, cross-functional teams that work within an organization on specific, time-bound goals. They can work on any business imperative, including your anti-racist initiatives like improving supplier diversity or increasing Black manager representation. It also gives employees who may have been previously overlooked the opportunity to work on projects that will raise their profile and help lead to promotions.
- 7. Develop an action plan.** Using everything you’ve learned, draw up a step-by-step plan with quarterly goals. Treat anti-racism like you would any other business goal.

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RAISING THE BAR

Using outside-the-box recruiting, blind reviews and C-level accountability, this global tech firm has set (and met) ambitious goals for gender and racial diversity.

By Joanna Parke and Elise Zelechowski



Thoughtworks has been around for almost 30 years and was founded in Chicago by Roy Singham. His background is important to understand the culture of Thoughtworks. His mother was American and his father was Sri Lankan. He grew up in different countries around the world, and social justice was a big part of his upbringing. So when he created Thoughtworks, his goal was to have an impact not just on the technology industry but also to have an impact on society. This has since evolved into Thoughtworks Why, our purpose statement that defines who we are, why we exist and what brings us together. It also serves as our lenses and values in an ever-changing world.

Our company started to get serious about DE&I with a focus on gender diversity around 2010. While everyone acknowledged that there weren't a lot of women in tech, we still needed to do something about it.

Rebecca Parsons, our chief technology officer, often tells the story about how our level of commitment shifted. Every leadership team has a monthly business review. There was a slide in the deck that showed gender representation at the company. After seeing the same slide month after month and the numbers not moving, she just got frustrated and said, "Let's either get serious and do something about this or take the slide out of the deck."

That led to a commitment from the top to apply the apprentice model to the challenge. We would bring in people straight out of school with less experience and then train them over time.

We have a flagship program called Thoughtworks University, which is a six-week program for all our entry-level hires. We mandated around that time that we would have a 50/50 gender balance of women and men attending Thoughtworks University going forward.

It was a big goal, and it really forced our colleagues in all the countries where we were based—a dozen countries back then and 18 now — to think differently about how we would source and develop talent.

Break All the Rules

When we began an initiative in North America to start a new entry-level grad program with a focus on diversity, we were given the leeway to break all the rules that we had used in the past.

That included relying on applications and recruiting from the computer science departments at the same schools. So we went to different schools and looked in different departments. We were looking for aptitude and people who are passionate about learning and who had some relevant skills, though not to the degree that we had required in the past.

And once we hired them, we changed the way we did their performance reviews. We changed the way that we gave them salary increases. We were given this mandate but also the freedom to do things differently, and our colleagues in other countries used a similar approach.

As an example, one of the very early hires we made was a biology major. At some point, we learned she had built a website and had done some coding. She had worked with teams of scientists, and she had all these qualities that we were looking for. She ended up running one of our most important service lines in the U.S. business.

We also started doing blind code reviews with applicants who did have a technology background. Before that, there was a stage in our hiring process where a candidate was given a problem to work on, and then we gave them a couple of weeks to write some code to solve it. We would then review their code for its quality. For a long time, we were attaching names to those code reviews. But when we shifted to blind code reviews, we did see a difference in the people we were hiring.

We also did unconscious bias training to improve how we interviewed candidates. We established “defining attributes” so that everyone in the hiring process was clear about what we were looking for. That made the process less subjective and more equitable.

Another key decision to help drive change was making our managing directors, who oversee our geographic-based operating units, responsible for achieving this key goal. That was an important step, because a lot of companies say, “This is an HR problem.” And that just doesn’t work. It’s like trying to roll a boulder uphill. Unless you have the commitment and accountability at the top of the organization, it’s not a priority.

Measuring Diversity by Country & Task

The murder of George Floyd prompted a lot of reflection for everyone here at Thoughtworks. The leadership team spent a lot of time talking about how we wanted to show up in that moment, because we didn’t want to engage in virtue-signaling with statements that weren’t backed up by any action.

From those discussions, we committed to doing even more to be inclusive in our hiring and bringing diverse technologists into our company. We created a new internship program and we strengthened employee resource groups, which are an effective way for people to connect and think about strategies to promote more inclusion and belonging.

Our goals for diversity have evolved as well. When you operate in 18 different countries, gender equity is something that

INCLUSIVITY IS NOT ALL SUNSHINE AND RAINBOWS . . .
YOU REALLY HAVE TO CREATE AN ENVIRONMENT WHERE INCREDIBLY
UNCOMFORTABLE CONVERSATIONS CAN TAKE PLACE, INCLUDING BEING
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is common across the globe and measurable. And we've always had an approach that, in addition to gender, each country should focus on at least one other aspect of diversity.

In the United States, for example, it has been race and ethnicity. In other countries, it might be a focus on LGBTQ or addressing discrimination based on country of origin.

Globally, we set a goal in 2019 that 40 percent of people in technology roles would be women or underrepresented minorities. The reason we decided to focus on technologists was that many companies report their all-company gender metrics. Those are important, but they can sometimes hide the fact that there's a heavy bias toward disciplines that haven't necessarily had a shortage of women. And so when looking closer at the gender mix of coders, the number of women employees is much lower. We wanted to acknowledge that the technology field has a gender diversity problem and to focus our efforts on helping to address that gap.

So we classified every role in the company, working with an external partner, as technologist or non-technologist. When we set the goal in 2019, we were at about 32 percent, and we gave ourselves a couple of years to achieve the 40 percent goal, and we achieved that at the end of last year.

Now that we've achieved this goal, we are turning our focus to career progression and seniority. The two most senior grades in our company are called principal and director. Combined, currently 33 percent of those roles companywide, and 28 percent of technology roles, are held by women and underrepresented minorities. Our new goal is to increase both of these to 40 percent as well.

Lessons Learned: Four Steps to Change

An important part of our efforts to reach our goals globally is that we have a head of DE&I who sits on the leadership team for every country. So they're not embedded inside HR. That sends a powerful message about how much this matters to us.

The key insights for us about driving change are that:

1. The senior leaders have to be committed and accountable to driving change.
2. Setting concrete and measurable goals really helps provide focus.
3. You have to challenge thinking and the perceived constraints about the way that things have always been done.
4. Progress requires engaging in really uncomfortable conversations.

We recognize that inclusivity is not all sunshine and rainbows. When you talk about intersectionality and people from different backgrounds bringing their full selves to work, there will always be some friction and misunderstanding, because everyone has their biases. So you really have to create an environment where incredibly uncomfortable conversations can take place, including being vulnerable about the fact that we all have our biases, in order to have meaningful discussions and breakthroughs.

When leaders can talk through their own journeys of self-awareness and understanding their biases, that vulnerability sends a very important message about the environment we're trying to create and what we expect of our people. That's how change happens. ■■



Joanna Parke is the chief talent and operating officer at Thoughtworks, a publicly owned software design and consulting company that has 49 offices in 18 countries.



Elise Zelechowski is the global head of DE&I, sustainability and social change at Thoughtworks.



EQUITY BY DESIGN

Intel is taking an engineering approach to diversity, making proactive adjustments early in the process lifecycle to achieve the desired end results.

By **Claudia Gilles**

The Intel logo is centered on the page, featuring the word "intel" in a lowercase, sans-serif font with a registered trademark symbol. The background of the entire page is a large, colorful mosaic of small, stylized human icons in various colors and orientations, creating a sense of a diverse and interconnected community.

Intel's DNA is rooted in data. And in our work on diversity, equity and inclusion (DE&I), we have applied that same thinking—solving complex problems by first analyzing the data so that we can be clear about the gaps and where we can make improvements.

We have taken this approach to equity and inclusion for several years, starting in 2015 when we set a goal to achieve full representation in Intel's U.S. workforce by 2020. That means the company's workforce would reflect the percentage of women and underrepresented minorities available in the U.S. skilled labor market. We reached this goal two years early.

In 2018, we established our RISE goals: Responsible, Inclusive, Sustainable and Enabling. Our RISE goals include operational and supply chain goals and are also focused on further advancing the representation of women and underrepresented minorities in leadership and technical positions.

For example, in 2020, Intel set out to double the number of women and underrepresented minorities in senior leadership roles by 2030. We also have in place several initiatives around DE&I, including pay equity and actively supporting internal leadership councils and employee resource groups.

Perhaps even more impactful is our shift to equity by design, which parallels the way we address any other operational or design challenge in which the results are not meeting our expectations. This approach involves a proactive focus early in the lifecycle of a process to make adjustments that will yield a better result at the end. When you implement corrective actions at the end of a process, you have missed a crucial opportunity to have a sustainable and more meaningful impact.

In the context of DE&I, this translates to working with and developing managers to reduce or even eliminate potential bias in people processes and provide proactive opportunities for underrepresented employees to advance their careers and thrive.

Fairness in Promotion and Progression

At Intel, we have cultivated embedded practices around progression fairness, which allows us to ensure that people are promoted based on results, behaviors and the impact of their contributions to business success. To ensure fairness among the candidates for promotion, you must offer everyone similar opportunities on challenging projects so that they can build a track record of success over 12 to 18 months to demonstrate their readiness for a promotion.

We work with managers far in advance of that promotion moment to ensure that development, opportunities and compelling business challenges are being offered fairly and consistently to all employees—including, but not limited to, underrepresented minorities—and that the conditions are in place for all employees to deliver results and advance. While we provide them support and guidance, ultimately, our managers are responsible for helping the company drive fairness in progression opportunities. By taking a systems approach to reduce potential bias and create opportunities, the approach has become much more organic and embedded in the way we develop our people.

This is a quintessential engineering approach to solving a difficult problem. Yet many years ago, companies were more focused on the output at the end of the process rather than opportunities to address the problem much earlier. The first step was to recognize the limitations of our output-focused process and start analyzing and measuring to better understand the problem. The solution, as I mentioned, is to act earlier in the process lifecycle to ensure all the right systems are in place to achieve the desired result.

As we were setting additional goals around DE&I and developing new recruiting strategies, we quickly recognized that recruitment was only one part of the solution. We needed to be much more intentional about the systems in place for progression fairness, which in turn would lead to greater representation over time in our senior leadership roles.

We now track our progress with regular analytics and dashboards that expose our performance as an organization. We also correlate a robust set of employee performance indicators that reveal, for example, some high performers receiving special recognition bonuses and how long they've been in their current pay grade. We look for ways to explore with managers that their employees are being offered the right opportunities and challenges to grow and demonstrate their skills, contribution and impact.

A Trained Manager at the Core

At Intel, managers hold quarterly feedback conversations with each employee to discuss their performance, including goals and recent achievements. Managers also have tools to assess and discuss the behaviors that are expected of all employees, including specific behavioral expectations around inclusion.

This is the moment for managers and their direct reports to align on the most important things: What are the key results? What are the main projects they are focusing on, and how do they align to organization priorities? What results are expected, both in terms of behaviors and business outcomes?

We prompt the managers, we offer them training to develop their employees and we provide perspective and expectations on inclusion, diversity and equity. Every quarter we follow up to check in on progress. The key to our success is that the work is happening throughout the company, not just in HR. We're nudging the managers and enabling them to achieve our goals by offering resources for both managers and employees. We are acting as consultants to the managers, coaching them to consider and leverage all the resources available to provide the best opportunities and challenges for our employees.

As a result of our efforts, we are seeing more natural, organic outcomes without requiring HR to intervene late in the process. And there are other measurable benefits, including increased manager capability.

I wholeheartedly believe every manager wants to be a good manager. But all of us may have a bias of one kind or another. And there are a lot of demands and pressures on our managers—so many things that you must do and learn to be a good manager.

Rather than questioning our managers on why they aren't making the progress we expect, we provide ongoing guidance and resources to help them achieve Intel's DE&I goals. We have found that it is so much more effective—with so many additional benefits—to make sure the culture and systems we have in place will give the outcomes we want to see.

Our efforts are not sustainable unless we embed them in a system. Fundamentally, it is about building an entire culture system monitored through data and managed with actions. ■■



Claudia Gilles is the vice president of human resources at Intel.

The Evolution of DE&I *and the* Role of the CDO

A Q&A with diversity pioneer Dani Monroe on the birth of the diversity movement and how today's chief diversity officers can chart a path toward true inclusion.



Today's diversity programs have come a long way from their genesis as federally regulated initiatives. The shift from affirmative action to true diversity, equity, inclusion and belonging has been a decades-long process. However, most organizations "are still operating at the visual level of inclusion and not at the practice level," says Dani Monroe, a veteran DE&I leader and founder of the Martha's Vineyard Chief Diversity Officer Summit.

Monroe has spent 40 years consulting and working in numerous global corporations and was the inaugural chief diversity officer for Mass General Brigham, the largest private employer in Massachusetts. Adam Bryant, *People + Strategy* articles editor, sat down with Monroe to discuss the evolution of DE&I and the big questions facing CDOs today.

People+Strategy: How did you get into the DE&I field?

Dani Monroe: I'll start by sharing some background about my family and where I grew up because that helped prepare me for the work in diversity, equity and inclusion. I was the youngest of eight and my father was biracial—from a white Jewish mother and Black father—and my mother was Creole. They migrated from New Orleans to California in 1942.

I grew up on the Monterey Peninsula of California in the small town of Seaside. The community was predominantly Black, working-class homeowners, but many Filipinos, Mexicans and Japanese lived in our community. There was also a sizeable biracial population because Seaside bordered the third-largest Army base in the country at the time, Fort Ord. Many of the soldiers married women from countries where they were stationed (Japan, Germany, France) and were transferred to Fort Ord because of its diverse community.

As in most small towns, all the families knew each other. We went to school, played, dated and frequently visited each other's homes. My early life experiences were about embracing and living with people from different backgrounds. It was accepted and expected that everyone was different in some way. During my childhood, the notion of race was not in my consciousness, and I hadn't learned how to distinguish racial infractions.

That changed when I started my career and found myself challenged to obtain jobs I qualified for. After frustrating attempts to enter corporate America, I discovered an article in *Black Enterprise* about the work of Dr. Price Cobbs, a psychiatrist in San Francisco and CEO of Pacific Management Systems. He was focused on assisting Black and brown leaders in navigating corporate cultures. A cold call to Dr. Cobbs completely changed my career plans. After our 30-minute conversation, I agreed to meet Price in San Francisco. Six months later, I was hired by Pacific Management Systems.

“

Unfortunately, after George Floyd, CDOs were not hired based on qualifications but on their life experience. It was assumed they understood DE&I because they were diverse. That assumption is biased and fraught with misconceptions about a CDO's qualifications that take years to develop.

”



P+S: You saw the rise of DE&I firsthand. Can you share a quick history lesson?

Monroe: Diversity, equity, inclusion, and now belonging has evolved from a federally regulated social intervention to a business imperative with social justice implications.

In the 1980s, the body of work we call diversity, equity and inclusion did not exist. The focus was compliance and affirmative action because we were emerging from the 1964 Civil Rights Act, which required corporations to open their doors and provide employment opportunities to diverse (predominately Black) people. Many companies had affirmative action or compliance officers, typically Black, during this time. Corporations or the people leading them were resistant to the change, as you might expect, because this was legislated mandates and behavior.

There needed to be a blueprint for how to execute this social-political change. Corporations didn't understand what they were required to do or how to implement the change before them. Because of corporate leaders' lack of skills and abilities in executing affirmative action mandates, the myth of Blacks not being qualified for their positions emerged and still exists today. So many of our conversations during the affirmative-action era addressed those misconceptions about Black people's credentials and qualifications. Corporate success was measured by whether you could obtain a management position. Rarely if at all, did you encounter a Black person at a director or vice president level.

Organizational interventions were based on an education format. It is why training in diversity is an essential ingredient to organizational change today.

Pacific Management Systems' technology consisted of a five-day learning experience for Black and brown leaders to empower them and assist them in navigating corporate culture. Many of these leaders were first-generation corporate executives and didn't have the luxury of legacy experience to grow from. To balance and integrate the learning experience, a two-day program for white leaders on managing across differences was delivered. Over time, we witnessed growing recognition by some companies that the focus should be on managing and valuing differences, thereby moving us from affirmative action to the next phase of the work.

Due to the changing demographics of increased Black, brown and Asian populations in this country, the conversation started shifting to diversity. The landmark study of the Hudson Institute report predicted that by 2000, America would be over 50 percent diverse. This frightened many corporations, but others saw the business opportunities that could exist. The business case for DE&I began to slowly enter the lexicon of the work. Companies became more interested as product lines became more apparent. People may have understood that creating fair hiring and development opportunities for diverse people was the right thing to do. Still, there was also a powerful business case for doing the right thing.

Employee resource groups began to form, bringing attention to what was needed in organizations to support the



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To be a good CDO, you need change-management skills and to understand analytics and statistics. You must learn the body of work around psychology, social behavior, organization development, race, gender and other identities. It is very complex work.

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growth and development of diverse employees. Fast-forward a few years, women’s issues began to be part of the conversation. But as the conversation and definition of diversity broadened and expanded to focus on several groups and different identities, race began to lose its sense of importance in the conversation.

P+S: There’s been an increasing move toward inclusion. How did that begin?

Monroe: The shift to inclusion made the conversation more palatable for many, partly because it wasn’t as uncomfortable for whites as dealing with race and resisting the fact that people were excluded based on their identities.

The reality was lost to many that it is challenging to adequately discuss inclusion without talking about exclusionary behaviors and who’s not at the table. Inclusion was and is necessary. But it sometimes becomes the default position for corporations when they don’t want to take a stance on race or other topics that make them feel uncomfortable or guilty for past injustices. White guilt runs deep in America and when considering an organization’s intervention, it has to be taken into consideration.

To be inclusive requires discipline and consciousness of what’s missing. Corporations seldom exercise the rigor of saying, *“What are the different perspectives we will need at the table to solve this issue? Do we have all the diversity—including diversity of perspective, thought, skills etc.—that we need at this table? If we have diversity at the table, do they have a voice? Are we taking advantage of their knowledge? Do they feel that they have the agency or influence to speak up? Have they been given the signals that they are encouraged to speak up? Do they have the same ability as others to influence and change an organization?”*

If you’re saying “yes” to all of this, you’re a very inclusive organization. But most organizations are operating at the visual level of inclusion and not at the practice level, which means ensuring that your leaders at that table have influence, agency, power and resources to do their jobs.

In 2020, America faced a tragedy that shook us to our core: the killing of George Floyd. That horrific incident was a catalyst for all of us to ask, *“Why are we still dealing with race?”* The concepts of equity and social justice entered the field of DE&I, and although they were part of the field before, the focus in 2020 forever altered our understanding of equity. Equity is about assessing and improving an organization’s structures, processes, practices and policies. It examines things like pay, hiring, retention, interviewing and policies in an organization. Without equitable systems, it is challenging to have a diverse, inclusive environment where everyone feels like they belong.

P+S: What is your take on the growing number of chief diversity officers across corporate America?

Monroe: One of the remedies corporations applied after the murder of George Floyd was to appoint a CDO. Unfortunately, many CDOs were not hired based on qualifications but on their life experience as diverse people.

It was assumed they understood DE&I because they were diverse. That assumption is biased and fraught with misconceptions about a CDO's qualifications that take years to develop.

To be a good CDO, you need change-management skills and to understand analytics and statistics. You must learn the body of work around psychology, social behavior, organization development, race, gender, and other identities, including working globally where the work manifests differently. It is very complex work; you must understand multiple perspectives and how systems operate to do it well.

Another critical point to consider is when you enter the field of DE&I, because timing shapes your frame of reference. The younger CDOs who came in after George Floyd have a social justice lens. That's the focus of work in their organizations, and they may not understand that organizations are these living systems and that you have to tap all parts of the system for the change to occur. Provocative conversation and language are insufficient tools on their own.

Critical to a CDO's success is their reporting relationship. Reporting directly to a CEO provides the positioning, influence and power to implement change effectively. It provides respect for the discipline and work. In my last assignment, I reported to the CFO, essentially because DE&I was perceived as a business issue, as my manager was responsible for about 70 percent of the organization.

Reporting relationships are critical, and so are resources. Does the CDO have the headcount and budget to accomplish the work? Do they regularly present to the board so there is a corporate director-level dialogue? Are they at the table with other C-suite leaders? Do those other leaders understand that diversity is a strategic priority and that it can assist in their success?

One of the positive ways that the CDO role has changed is that we have seats at tables that we would have never been invited to before, especially with boards being so focused on environmental, social responsibility and governance issues now.

P+S: Are you optimistic or pessimistic about long-term change?

Monroe: I am more optimistic than most because I understand the evolution of the history of DE&I and I can see the arc of progress. Diverse people who are mid-career are being promoted into very senior roles. You have many more, but you need more SVPs, EVPs and CEOs of companies.

That said, when I look across corporate America, there's still a lack of diversity at all levels of the organization. And bias and racism still exist. In some hospital systems, for example, you rarely see Asian physicians in leadership roles. Yes, they are skilled and knowledgeable physicians, but seldom are they in a significant administrative role. Why is that?

But there is a window of opportunity now, and so you use that window to push as many things and people across the line as you can. There will be some inevitable weariness

around the race/diversity conversation that emerged from 2020. This is emotionally challenging work, and the sustainability of it on all sides is difficult.

For those of us who have been doing this work for a while, we've experienced eras when the window has been open, work has progressed, and it's receded. It is a natural ebb and flow, and much of it depends on the social-political experience in our world at the time.

CDOs have an excellent opportunity to demonstrate that DE&I runs through every organizational function. If a leader applies that lens to their decision-making and strategies, it becomes a part of an organization's DNA and results in employees believing in what you're doing. It typically takes about five years to see your hiring, retention and promotion numbers change because you have to have people in the pipeline or hire from outside.

P+S: Tell me about the CDO summit you held last year.

Monroe: We had 125 CDOs from around the country, representing 24 industries and 1.6 million employees. One of the critical topics was the cumulative impact of racism on a CDO. We often experience second-hand trauma because people come to our office or talk with us over Zoom to share their stories of bias and microaggressions. One of the questions at the summit was, "How do we take care of ourselves when our job is to care for everybody else?" Seldom do people extend psychological care to CDOs to support them in their work. There is a lack of recognition that we need nurturing and support, maybe even more so than others, because of our role.

CDOs, and people in general, are exhausted from the last three years. The pandemic, remote working and discussions of race have been overwhelming because we have taken on assignments that were not in our job description. We came out of the Summit with a new language to explain trauma and a deeper understanding of the importance of self-care. Most importantly, we emerged with a renewed sense of hope for a better future.

P+S: What are the big questions facing CDOs going forward?

Monroe: How do we ensure the topic of DE&I doesn't disappear into ESG, thus limiting its importance as we experienced when inclusion was added to the field? DE&I has to remain separate from ESG. But ESG, like inclusion, is more manageable for leaders to accept and feel comfortable about. If you place DE&I under ESG, what happens to its influence, visibility and strategic importance? That's a big question right now.

Another question is, how do you become that confidante, advisor and facilitator of change across your organization? One of the characteristics of a good CDO is feeling empowered to hold your organization accountable. If you're not willing to get fired, don't take the job because that's the tension you'll have to live with if you're going to make a change. ■■

Path to the C-SUITE

Increasing Black representation
at the executive level & boards.

By Ron Williams, former CEO of Aetna

From the time when I was an active CEO at Aetna (2006 to 2010) the number of Black CEOs in corporate America has not moved in a meaningful way. That is disappointing, given the talent in the broader ecosystem. I see people every day who have the potential to learn what it takes to be a CEO. Many of them are in the C-suite or are fairly close to it, yet I just don't see people being tapped and being meaningfully developed for the opportunities that would get them to that next level.

I'm hesitant to try to generalize about the reasons, but I can speak to the examples I've seen. Often what happens is that many executives have spent their careers in circumstances where everyone around them is always certain and occasionally right. People speak with great authority and great confidence, and yet they often don't know what they're talking about in relation to a given decision. And executives who come from different backgrounds than most of the C-suite leaders you see today—whether they are women, immigrants or people of color—sometimes don't bring that same level of assertiveness to their roles. It took me a long time to reach the point where I would speak up if I was not 100 percent certain that what I was about to say was accurate.

People can be so focused on doing a fabulous job leading their division or group that they aren't devoting the same time to positioning themselves as other executives do. And quite honestly, they sometimes get out-manuevered by people who spend more time having conversations in which they are pushing to be CEO. As I mentor executives, I will often ask them, "Have you had the conversation in which you've said you want to be the CEO at the company or at another organization? Have you asked what you need to do to make certain that you are the best candidate you can be?"

Often those conversations don't take place, partly because the company doesn't start them or individuals don't express their authentic aspirations about what they want to do. Another reason is that they don't have the same support networks as the people they are competing against for the top job. Those colleagues often have friends who went through MBA programs and who are CEOs or serve as board directors, and they can get counseling, coaching and mentoring from them.



Feeding the Talent Pipeline

I'm optimistic that we are going to see change over time. After all, I have had to be an optimist in order to accomplish what I've accomplished in my career. But organizations still aren't starting early enough to identify high-potential talent. And they don't think purposefully about career moves—what those executives need to do to demonstrate their skills in different assignments in order to punch that ticket and move on to the next assignment.

If an organization is thinking about who is going to be the next CEO and they are looking at what their candidate pool looks like in three or four years, it's too late. Organizations need to be extremely purposeful about making certain that there is a cohort of executives that include a broad, diverse group of people, and that those people are getting the experiences and exposure that make them candidates to lead substantial business units.

One of the disadvantages that Black executives, women and executives of color have is that their senior roles are often concentrated in staff functions. And so, there is hesitancy to give them the opportunity to move into positions to run business units. There is a presumption that if you are a good general counsel, CIO, chief strategy officer or chief human resources officer that you can't be effective running a P&L. The reality is that I meet many executives who can but do not get the opportunity.

While boards of directors are becoming more diverse, I worry there is not enough discussion about, or awareness of, boardroom hierarchy. The reality is that when a former CEO or current CEO speaks in the boardroom, their voice typically carries more weight than when a board member with a functional perspective speaks. And so, we clearly need more diversity on boards. For example, one Black CEO can have an enormous impact on the direction of the board, because they can be supportive of other diverse board members and can speak from the CEO perspective.

So, while we're making progress, there is a self-fulfilling problem. If most Black directors have led functions rather than businesses, then they won't bring the weight that an active board member who is a CEO or a former CEO would bring.

One answer is for diverse directors to combine their voices and recruit other directors to support the DEI initiatives and policies of the company. This combination of directors of color and women can be highly effective in educating other directors and keeping the board focused on talent management as a critical issue that supports execution of the company's strategy.

Speeding Up the Pace of Change

Looking ahead, the question is whether all the companies that promised to take a hard look at how they developed and promoted diverse talent will stay committed to making changes. Will those changes be sustained as companies deal with a recession?

I'm also watching carefully the publications that focus on board governance, and the degree to which those publications maintain the level of discussion about diversity issues. I'm noticing the topic is starting to wane. So, the question for boards is, do the directors think it's enough to get just an annual review and report on developing and promoting diverse talent? And when companies look to recruit external candidates to the C-suite, to what extent are they looking to see a demonstrated track record by the executive of building and leading diverse teams?

Companies should also make certain that everyone they interact with as an organization—every supplier, every vendor, every business relationship—has a workforce that, broadly speaking, is reflective of that company's customers. So when the investment bankers show up and they're all men, that's not

a good sign. And if they show up and don't have any people of color on the team, that's also not a good sign. If that investment bank wants to hold onto that company's business, perhaps they should be given the message that they should rethink their staffing and their recruitment. They need to be reflective, broadly speaking, of the community they serve.

Those efforts take time. It takes longer to recruit a diverse team than a non-diverse team because you have to build relationships

in advance and proactively seek out top talent. Many companies are trying to make an impact from a cold start by going to historically Black colleges and universities after neglecting them for years. If you're in California, for example, there is a significant Hispanic population at the state colleges and universities who are fully capable, committed and motivated, and will make good executives in the future.

There is more work that companies need to do, and if they're not making progress they're falling behind. The question is, will the current pace of change keep pace with the *required* pace of change? There are signs of progress, but there needs to be more progress with the Fortune 100, because those are the companies that shape the economy. They set the tone. They set the leadership. These are the companies where there has to be a greater focus to create more diversity, for women and people of color, at the top.

That will happen in part by the leadership teams making it clear that this is an expectation of all leaders in their organization. No company would hire a senior executive who was not

As I mentor executives, I will often ask them, 'Have you had the conversation in which you've said you want to be the CEO at the company or at another organization?'



Mentoring Advice for Aspiring CEOs ...

One of the important lessons I share with senior executives is to take a meeting for themselves. Let's say they are going to Silicon Valley on company business. They should also schedule an additional meeting for themselves to broaden their contacts and to learn more about a new industry or company.

I see time and again that people are so focused on doing a superb job at work that they're not looking after themselves and their own career and their own aspirations. They may be thinking that if they just focus on doing a great job, then everything will turn out well. The answer is that it may—or it may not. You are the most valuable resource you have and your job is to make yourself as valuable as you can be. That means thinking about the long-term horizon. Where do you want to go? What do you want to do? How will you get there?

A second point I emphasize is to focus on building a support network and connectivity. When I was an active CEO, I was very fortunate because I had many peers who happened to be Black and they all lived in the Northeast. I know Dick Parsons, Ken Chenault, Ursula Burns and Ken Frazier, for example. They were a key part of my broader CEO network who understand the unique issues of being a Black CEO. (Female CEOs, I know, built similar networks of female CEOs to support them with some their unique challenges.) It was a community and a network. So when I had a question or a problem, I could reach out and ask them for advice. I encourage people to build both larger and smaller communities, because talking to the right person at the right moment can help you make supremely better decisions.

... And for First-Time Board Directors

Understand the different board personalities. When people join a board, I explain to them that they are joining a group that has, in effect, one personality as the entire group, another in the context of the committees and another in the context of subgroups within the board. So, you need at least three different radars to understand what is going on and why.

Don't fall into what I call the "lead director/chairman trap." As a board member, you have an obligation to the board and the CEO. And while the purpose of the chairman or the lead director is to distill all the directors' voices into one coherent data stream that the CEO can understand and absorb, that doesn't mean other directors can't have a direct relationship with the CEO so that they can convey their perspective on really critical issues. —Ron Williams



financially literate, but many companies routinely hire executives who have miserable track records in recruiting, retaining and developing diverse high-performing teams.

Are boards addressing this issue in their talent and succession management processes? Progress will happen in part by embedding it as part of the incentive compensation structure and the values of the organization. Compensation, after all, is an important signal for alignment. And the issue should be given regular visibility in business reviews and to the board, so that people can provide updates on their progress and the challenge they are facing.

Diversity Brings a Broader Talent Pool

The other thing that companies have to address is this notion that increasing diversity creates disadvantages for others in an unfair way. To dissuade people of that belief, I draw on an historical example. There was a time when, to be a police officer in this country, you had to meet a certain height requirement. Over time, people conducted an analysis of the work of police officers and found that height had absolutely nothing to do with being an effective police officer.

But if you were over six feet tall and had been in the military, you had a pretty good shot of getting the job as a police officer when that height requirement was in place. But if you broaden the applicant pool by taking height requirement out of the conversation, then all of a sudden that same person's probability of winning goes down dramatically. So, when they don't get the job, their response is to complain they are not the right demographic, because a woman or someone of smaller stature got to the job. In reality, competition for those positions, without height restrictions, were now based on the *real* requirements for success, not the *historical* requirements for success. That fundamentally changes the competitive dynamic.

So, when you bring in women and people of color, it's more competitive and you're going to have different winners and different losers. That's a framework that organizations generally

have not done a good job of explaining, because the requirements for so many of the positions in the company were legacy requirements unrelated to success. It's about companies taking a look at the real requirements for different jobs. Do they require the same set of competencies and experience that have been required historically, or is there a new set?

Chief human resources officers need to help their CEOs be the chief diversity officer of the company. As far as I'm concerned, it is a responsibility that chief executives should not delegate. It is the CEO's job to ensure that the organization has the talent necessary to align with the strategy. And sometimes those are calls only the CEO can make. Is it time to replace someone at a senior level who is not able to align with the new strategy? Are there voices missing around the table that could provide the CEO with different perspectives?

The CHRO can play a vital role in coaching and helping their CEO confront some really difficult issues. Good CEOs often have to fire people they've worked with for a long time, for example. The right CHRO is an additional guardrail. And part of the CHRO's role can be to make sure the CEO includes updates about diversity, equity and inclusion in the quarterly business reviews and board updates.

CHROs must play a key role in ensuring their CEO and board understand where they stand in creating a culture and workforce that are broadly reflective, from top to bottom, of society and the customers they serve. Diverse talent development will support successful execution of their business strategy and achieving profitable growth. They can be a leader or a laggard. The board can make certain they are setting the standard in their industry. ■■



Ron Williams is the former CEO of Aetna and a board director at Boeing and Warby Parker. He is a former board director at American Express and Johnson & Johnson.

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LEADERSHIP TRAINING & ONBOARDING

The Foundation of DE&I

by Amber Guild, CEO of McCann New York

Leading through the lens of inclusion was always at the center of what I wanted to do and be, in large part because I come from underrepresented and historically marginalized groups. So as I moved up in my career, I wanted to ensure that I am learning how to lead in ways that change the path for people who are coming into organizations and for those who want to move up in their careers.

What I've observed over the years in many organizations is that you might have well-meaning leaders who want to create inclusive work environments and who want to ensure that there is diverse representation within their workforce, but their efforts fall short for a number of reasons.

For example, I found that many leaders often were asking more junior employees from underrepresented groups to do the heavy lifting of changing the culture. While the intent may have been to empower and enable underrepresented groups—"You should start an employee resource group"—if this is all that is done, leaders are ultimately putting the responsibility on changing the culture and behaviors on the groups of people who have historically been most negatively impacted by them. It means that leaders aren't holding themselves accountable for changing how they lead to ensure that the practices, systems and behaviors of the organization will create an inclusive culture that enables everyone to do their best work.

Employee resource groups (ERGs) are critical to a thriving workplace culture. But leaders must understand that it is on them to ensure that the systems of the organization are evolving to create a culture that enables everyone to fully participate in the work, and that makes everyone feel valued for their distinctive skills, experiences and perspectives.

However, leading through the lens of inclusion most likely wasn't part of their training in the same way they learned about strategy or their specific discipline. And many people get promoted based on their strength as an individual contributor. So they moved up the ranks without any supplemental training on how to lead.





THE WORK YOU GET OUT OF PEOPLE IMPROVES EXPONENTIALLY IF YOU KNOW HOW TO GIVE FEEDBACK. BUT WE TEND TO GIVE MORE FEEDBACK TO PEOPLE WHO LOOK LIKE US, OR WITH WHOM WE FEEL SOME FAMILIARITY. ... THIS STARTS A SYSTEM OF EXCLUSION AND INEQUITY.

The Feedback Bias Loop

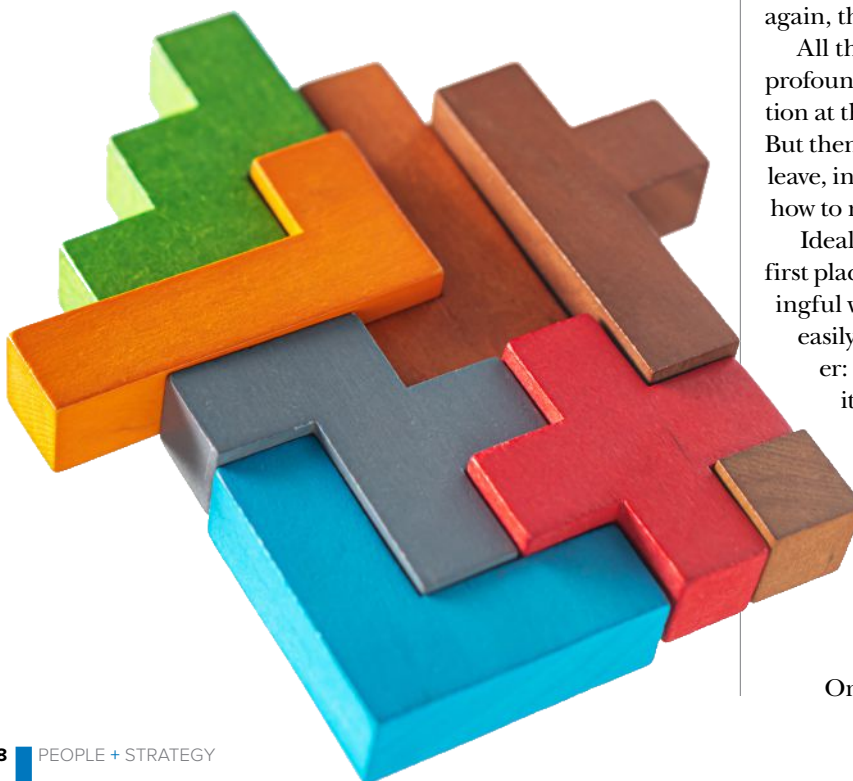
As a leader myself now, I'd like to see more people leading through the lens of inclusion in order to get the best out of people, which in turn will help you deliver the best business results. I don't think people are making those connection points yet.

That's something that leaders need to reflect on: What does "leading through the lens of inclusion" mean? We need to create more of a through-line there for people as they move up in leadership roles.

I'm often struck by the fact that many of the basics of managing and leading aren't taught in organizations. An example is how first-time managers are coached on how to manage. What are we expecting them to do? Giving them some basic tools on how to provide effective feedback can have so many incredible benefits. The more people are able to fully participate in the work, who understand their value, and feel valued for what they bring to it, the better their work is.

The work that you get out of people improves exponentially if you know how to give feedback. But we tend to give more feedback to people who look like us, or with whom we feel some familiarity. So if a manager is white, they may feel more comfortable giving feedback to people who look like them,

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which in turn gives an advantage to certain people to help them move up. This starts a system of exclusion and inequity in which (often unintentionally) only a subset of people are getting feedback and aligning to goals and KPIs with their managers. All of that is critical to developing and growing in their careers.

Managers need to know how to have these conversations with everyone on their teams. And organizations should make sure that once people are promoted to manage others, they are being taught the skills around leadership. But for various reasons, people often put off that kind of training. "We'll get to it next month," they say, or it doesn't happen at all.

When you take into account the current cultural context and people not wanting to be perceived as being biased, that can make managers even more hesitant to give feedback. So ultimately you have, from the very beginning, employees from underrepresented groups being set back within the organization and not getting the critical feedback and goal-setting that enables all of us to get better at our jobs.

The Dangers of Informal Onboarding

Another discipline that's missing in a lot of organizations is around job descriptions and onboarding. New hires may start their jobs not understanding the remit of their role and not know the potential career pathways ahead of them.

The people who end up being hurt the most from this are from underrepresented groups, because they're not getting the feedback and then no one is helping them understand what the job ahead of them looks like or what they have to do to get to the next role. And so again, they are systemically being left behind.

Organizations also have unspoken ways of working. And the people who benefit from knowing those ways are people who've been there for a while or those who get advice from some of the longer-term employees about, "This is how you really get it done." What often happens, of course, is that they share those insights with people they're more comfortable spending time with. And, again, that contributes to inequity and exclusion.

All these basics that aren't happening add up to have such a profound impact on companies. You may see more representation at the more junior and middle levels of the organization. But then the "leaky bucket" phenomenon happens, and people leave, in part because they're not getting all the secret codes of how to navigate the organization.

Ideally, organizations wouldn't have "secret codes" in the first place. They would think through onboarding in a meaningful way—and not just on the first day. The process could easily stretch over an entire year. Employers need to consider: How do you teach managers to onboard people so that it's not just left up to the friend networks of long-term employees and people who know how to navigate the internal politics?

Learning the 'Secret Codes' Early

I've experienced many of these dynamics myself in my career. Early on, I didn't receive much feedback. But because of some of the privilege I've had, I also learned how to navigate some of those challenges. One incredible experience that gave me confidence when

I went into the professional world was that I attended boarding school. I was a financial-aid scholarship kid and had entered a situation completely foreign to me in every possible respect. I'd never met people with that amount of wealth. I'd never been in an environment that was 97 percent white. At that point in my life, I considered people who had cable TV wealthy. Here, many of my classmates were from families that had planes and many houses.

So from the age of 14, I had to figure out how to advocate for myself. It was a bit of a fight-or-flight survival response. To figure out how to succeed there, I had to learn how to advocate for myself, raise my hand in class and figure out the secret codes to success. The other students had all gone to private schools from a young age and were well-trained on how to navigate the challenging academic system. I came from New York City public schools, which was a great experience for me but not nearly as academically rigorous. No one, including the teachers, looked like me. It was overwhelming to feel like I didn't even know the right questions to ask.

Because I had to figure all this out from such a young age, I already had some tools by the time I was in my 20s and entering the professional world. So it's always been important for me to think about how to build a more equitable playing field for those who don't have the shortcuts.

Matching Actions to Intent

Another crucial point is that the actions of leaders need to match their intent.

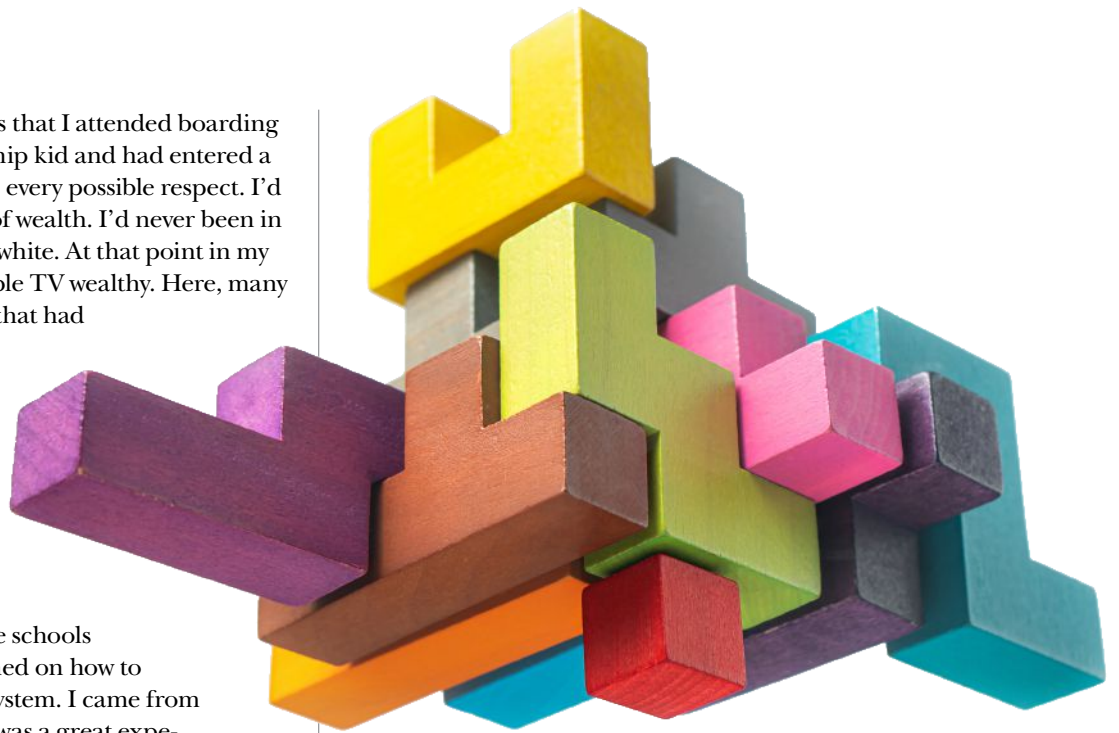
One of the most challenging environments for people from underrepresented groups is when their leaders say the right things, but there is no evidence of any behavior change. That can make you think, "Is it me?"

Leaders may be saying the right things in town-hall meetings and they may seem like good people, but then they've outsourced the responsibility to make changes to the employee resource groups. So it is not surprising that the leadership team still looks the same many years later.

When the words are there but the actions are not, it leads to a broad sense of doubt in the organization. You end up creating a wave of detractors who then read everything through a lens of skepticism and cynicism. That becomes self-fulfilling, and it's hard to move out of that.

For senior leaders, an important part of the solution is to remember that they have to keep learning—and organizations have to make time and space for that. Everyone at a personal level should want to be a forever student. You want a growth mindset culture to be part of your expectations of senior leaders. That's because continuously looking to learn the craft of leadership will make people more comfortable with making mistakes, talking about them and learning from them.

Diversity, equity and inclusion should not be a separate pillar in your organization. It should be embedded in your systems, practices and behaviors. And it is work that must be driven by leaders. It must be a part of the overarching strategy and



DIVERSITY, EQUITY AND INCLUSION SHOULD NOT BE A SEPARATE PILLAR IN YOUR ORGANIZATION. IT SHOULD BE EMBEDDED IN YOUR SYSTEMS, PRACTICES AND BEHAVIORS. AND IT IS WORK THAT MUST BE DRIVEN BY LEADERS.

embedded in how you work and what your company creates for its consumers. It must be deeply informed by all the people who work there, at every level and every discipline from multiple backgrounds and perspectives. This is what will help your business innovate, win and grow.

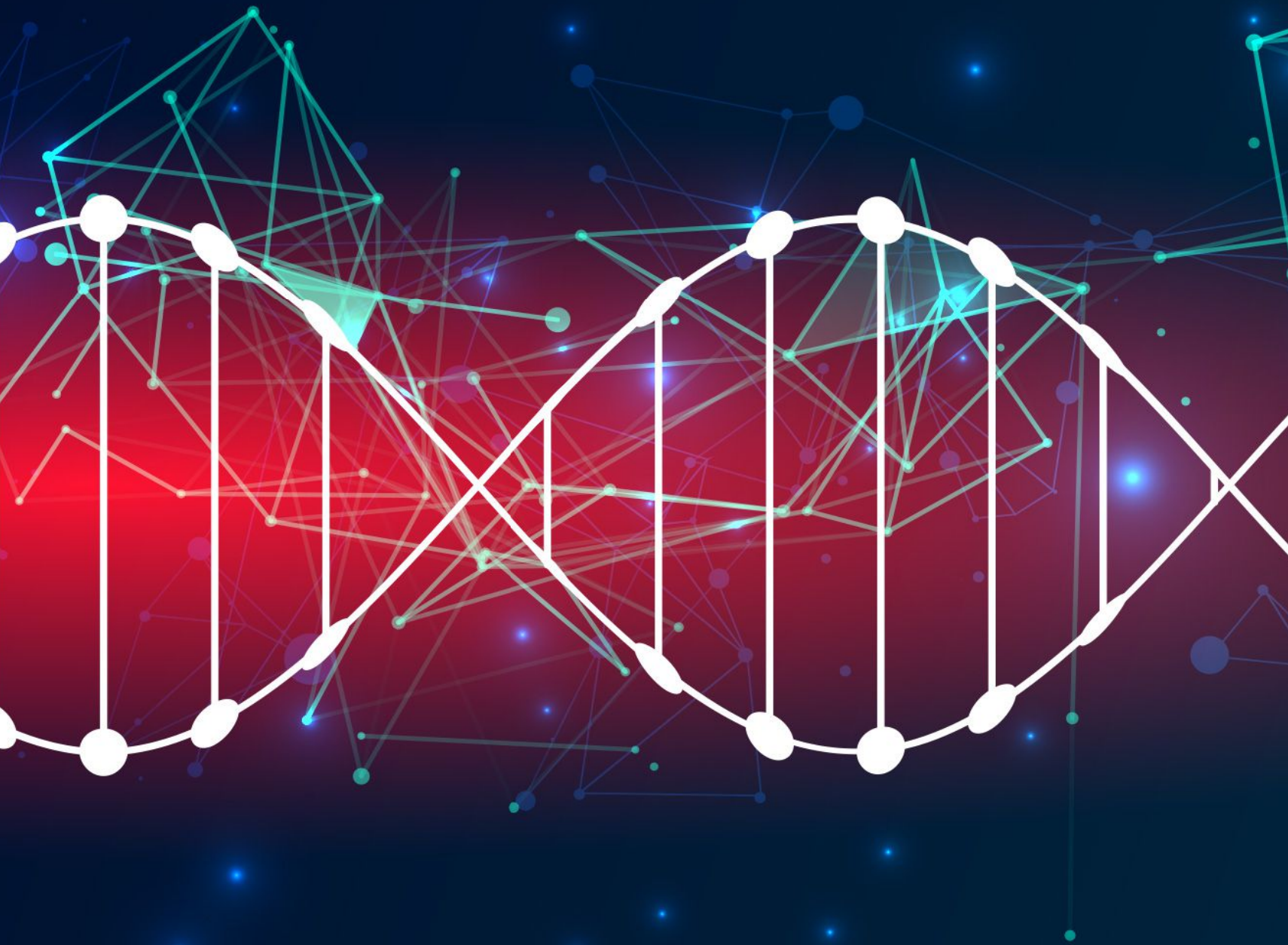
We are also facing a generational shift in leadership in 10 to 15 years, and change will naturally occur because all the work around identity that's being done in schools and at the more junior levels of organizations. That next generation will open up new approaches and styles of leadership. My challenge for everyone who is in a leadership position now is to start modeling and trying different approaches. Let's pave the way for this next extraordinary generation to lead in new and powerful ways. ■■



Amber Guild is the CEO of the McCann New York advertising agency. In her 20-plus years in advertising, she has also served as the CEO of Grey's New York office and as president of T Brand, the creative and marketing service division of *The New York Times*.


THE *DNA* OF *DE&I*

*Implementing a
Transformational Vision*



Transactional DE&I is simply a checklist of diversity targets. But a truly transformative program must begin with your “whys.”

By Natosha Reid Rice,
Global DE&I officer at Habitat for Humanity



The work of diversity, equity and inclusion (DE&I) is so much more than the nomenclature or catchy acronyms of the day. This work is personal and professional, transformational and transactional, and it requires the engagement of heart and head to create meaningful change and drive an organization toward impact, growth and success. As a practitioner who facilitates and drives the work of DE&I in an organization, I believe it is important to identify the personal and professional drivers and motivations for myself and the people I partner with in this field.

I enter the work of DE&I as a Black woman who grew up in the South in the 1970s with a white mother and a Black father. I became very aware of race at an early age from the stares and disdainful comments when my mother and I went to stores or the park together. I grew up very aware of racial differences and all that means—hair differences, skin color, eye color, what is considered beautiful, what is accepted and what is not. And, since I look just like my white mother with a tan, I have also been keenly aware of how we are similar despite our racial and other differences. My story is one of overcoming differences, of realizing “we are more alike, my friends, than we are unlike,” as Maya Angelou said.

I also enter this work on a professional front as a lawyer and a minister. I began ministry and preaching during my first year in law school, so I have always considered law and justice to be a tag-team partnership. I do not think that I can fully live my faith without a sense of justice or fully work toward a more just society or organization without the strong balance and inspiration of my faith.



When an organization combines the transformational and transactional work of DE&I, it is able to create a values-driven, ‘mountain-moving’ change and a culture that welcomes innovation.

- Natosha Reid Rice

As a real estate and housing attorney, my practice has been very transactional—contract negotiations, closing deals, reviewing ownership documents and representing my clients. My work in ministry focuses on people’s hearts, putting love into action to impact mindsets and behaviors and delve into the “whys” of life.

Over the years, I have learned how to tag-team law with my work in ministry in the realm of equity and justice work. In many ways, law symbolizes the importance of transactional efforts to get work done, while ministry provides the inspiration and pushes toward transformational living.

My tag team of law and ministry has been inspired by Dr. Martin Luther King, Jr.’s vision of what love looks like in public spaces. As he wrote in *The Autobiography of Martin Luther King, Jr.*:

“One of the greatest problems of history is that the concepts of love and power are usually contrasted as polar opposites. Love is identified with a resignation of power and power with a denial of love. What is needed is a realization that power without love is reckless and abusive and that love without power is sentimental and anemic. Power at its best is love implementing the demands of justice. Justice at its best is love correcting everything that stands against love.”

Leading with love in the work of DE&I acknowledges the humanity of those you lead and partner with and inspires their trust. The practice of DE&I in the workplace must combine a strong focus on transformational approaches that require the transactional work to push an organization and its people forward into a more diverse, equitable, inclusive and just culture and strategy that intentionally sees those who have been invisible and hears those who have been rendered silent.

Checklists vs. Mindsets

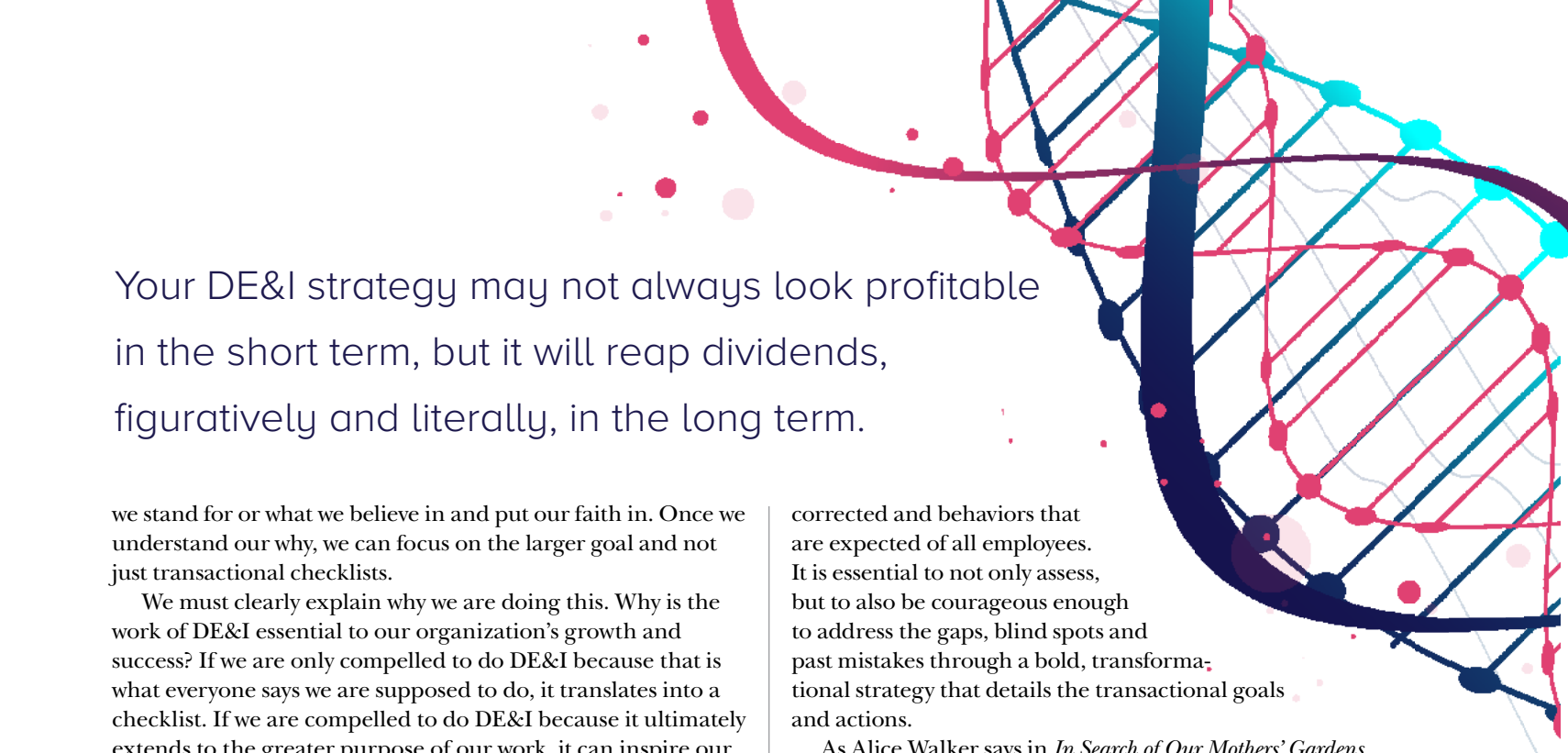
In order to successfully incorporate DE&I into an organization’s DNA, it has to have both transformational and transactional approaches.

We have seen examples of what transactional DE&I looks like. It’s a checklist, such as, how many Black people have we hired? How many women are on the leadership team? How many LGBTQIA+ individuals have we hired? How have we met those diversity targets?

All those are important components, but they also must include the overarching goal of creating a diverse and inclusive culture that focuses on people, marginalized voices and influencing hearts, minds and behaviors. That is the kind of leadership ethos that has transformed organizations and countries historically. The transformational aspect of paying attention to “heart sets” and mindsets—and what I often call people’s “soul sets”—within organizations allows you to do the work of diversity, equity and inclusion internally and externally with great impact.

A transformational approach requires more than a DE&I checklist of actions that evidence diversity or inclusion.

Transformational approaches must begin with the “whys.” Our why is our purpose, who we are, our cause and our reason for what we do. It is what



Your DE&I strategy may not always look profitable in the short term, but it will reap dividends, figuratively and literally, in the long term.

we stand for or what we believe in and put our faith in. Once we understand our why, we can focus on the larger goal and not just transactional checklists.

We must clearly explain why we are doing this. Why is the work of DE&I essential to our organization's growth and success? If we are only compelled to do DE&I because that is what everyone says we are supposed to do, it translates into a checklist. If we are compelled to do DE&I because it ultimately extends to the greater purpose of our work, it can inspire our workforce to give more.

Identifying Your 'Why'

A few ways to identify the *whys* that will undergird transformational change are through sponsorship by senior leaders, storytelling and a DE&I assessment that unveils hard truths. DE&I must be led and not merely managed. Senior leaders can lead in this area, even without being DE&I experts, by sharing their stories of how they enter the equity journey, by being transparent about past mistakes and courageous about moving this DE&I "train" forward even in the face of discomfort and challenges.

Conducting an honest organization-wide assessment will help identify areas to celebrate and opportunities for growth and improvement. DE&I must have sponsorship at the most senior level that embraces it with a "mea culpa"—humility that acknowledges that we have not gotten this right, that boldly faces the truth of mistakes and that insists on moving forward.

Courageous leadership can use the results of an assessment as a basis for co-creating a DE&I strategy with staff that will lead to a more inclusive and equitable culture.

What happens when we don't couple the transformational imperative to the transactional work? We get companies and corporations that put out strong DE&I statements with no follow-through. What happens if we don't couple the transactional piece with the transformational concept? We have a lot of workshops and training sessions, but we have no follow-through, ownership or implementation of the strategy.

That's why it's very important for the two to work together and to refine the other, just as iron sharpens iron.

Seeing Your Blind Spots

In some instances, an assessment may open a Pandora's box because it sheds light on the ways in which an organization's culture has been biased and inequitable, unconsciously or consciously. For instance, a well-done assessment can help excavate the organizational culture and focus on behaviors that must be

corrected and behaviors that are expected of all employees. It is essential to not only assess, but to also be courageous enough to address the gaps, blind spots and past mistakes through a bold, transformational strategy that details the transactional goals and actions.

As Alice Walker says in *In Search of Our Mothers' Gardens*, "The real revolution is always concerned with the least glamorous stuff."

The transactional work is the granular march toward aspirational and attainable goals and should include clearly stated goals and tactics for reaching them, with quantitative and qualitative metrics. The transactional part of the equation should then tie into what drives success within the organization. If DE&I is siloed and not integrated into the business, it will not garner the focus or respect necessary to move forward. Your DE&I strategy may not always look profitable in the short term, but it will reap dividends, figuratively and literally, in the long term.

When an organization begins with a transformational approach to DE&I, it is able to step back and imagine what a successful DE&I function and strategy could look like or accomplish. Will it help your organization to live its values? Will it allow your leadership to garner more trust and engagement from employees?

With all the market challenges, talent concerns, overwhelming societal pressures, pandemic fallout and increased industry competition, many organizations may think that this additional work of DE&I is impossible. However, when an organization combines the transformational and transactional work of DE&I, it is able to create a values-driven "mountain-moving" change and a culture that welcomes innovation and steps boldly into an uncertain future. This will enable organizations to benefit from the competitive advantages of a more diverse, equitable and inclusive organization. As Confucius once said, one "who moves a mountain begins by carrying away small stones."

With this approach, organizations can move a mountain one transformational and transactional stone at a time, incorporate DE&I into their DNA and push their organizations to do what once seemed impossible. ■■

Natosha Reid Rice is the Global DE&I Officer at Habitat for Humanity International. She is also a Minister for Public Life at All Saints' Episcopal Church in Atlanta.

Maurice Jones is the CEO of OneTen, a nonprofit aiming to advance one million Black individuals without four-year degrees into well-paying careers. *People + Strategy* Articles Editor Adam Bryant spoke with Jones about how employers who focus on skills and competencies in recruiting—rather than on college degrees—can improve their quality-of-hire and ignite potential for generations to come.

A Matter of Degrees: How Skills-Based Hiring Can Help Narrow America's Wealth Gap

People + Strategy: What's the backstory that led to the creation of OneTen?

Maurice Jones: I'll take you back to 2020, when the pandemic started. In those early months, the impact on communities of color and Black communities was disproportionately adverse. That was followed by a recession, which also had a disproportionately adverse impact on Black talent and other talent of color.

And then we had a series of shootings—Ahmaud Arbery, Breonna Taylor and then the murder of George Floyd in broad daylight, which was broadcast all over the world while we were all sheltering in place. Those events really moved people, and it continues to move people to this day. And more people started asking the question, “*Are we as good as we think we are as a country? Are we as good as we can be?*”

A handful of corporate CEOs asked and answered that question by saying that we're not as good as we can be. They decided that they wanted to do something about these incredible disparities that

were pulling us apart and that were keeping us from becoming a more perfect union. They focused on jobs because their view was that the private sector creates jobs as well or better than any other sector.

When they started studying jobs data, a few things really caught their eye.

One was that if you look at jobs that pay \$60,000 or more in our country, about 79 percent of those jobs require that you have a four-year degree just to compete for the job. And if you look at all jobs that pay \$40,000 or more, 71 percent require a four-year degree to compete.

When you look at Black talent age 25 and older in the workforce today, you will find that 76 percent of us do not yet have a four-year degree. That really led them to this aspiration for OneTen. Their conclusion was that we have a systemic barrier in the form of a credential that literally keeps people from earning their way into the middle class.

That requirement creates barriers for everyone. The percentage of white talent without a four-year degree age 25 and older in the workforce today is 66 percent. It's 83 percent for Latinx.

So we've got a systemic barrier across all demographics, and the private sector can do something about it. So they set a goal of hiring, promoting and advancing one million Black people who don't have four-year degrees into family-sustaining jobs and careers over a 10-year period.



Maurice Jones

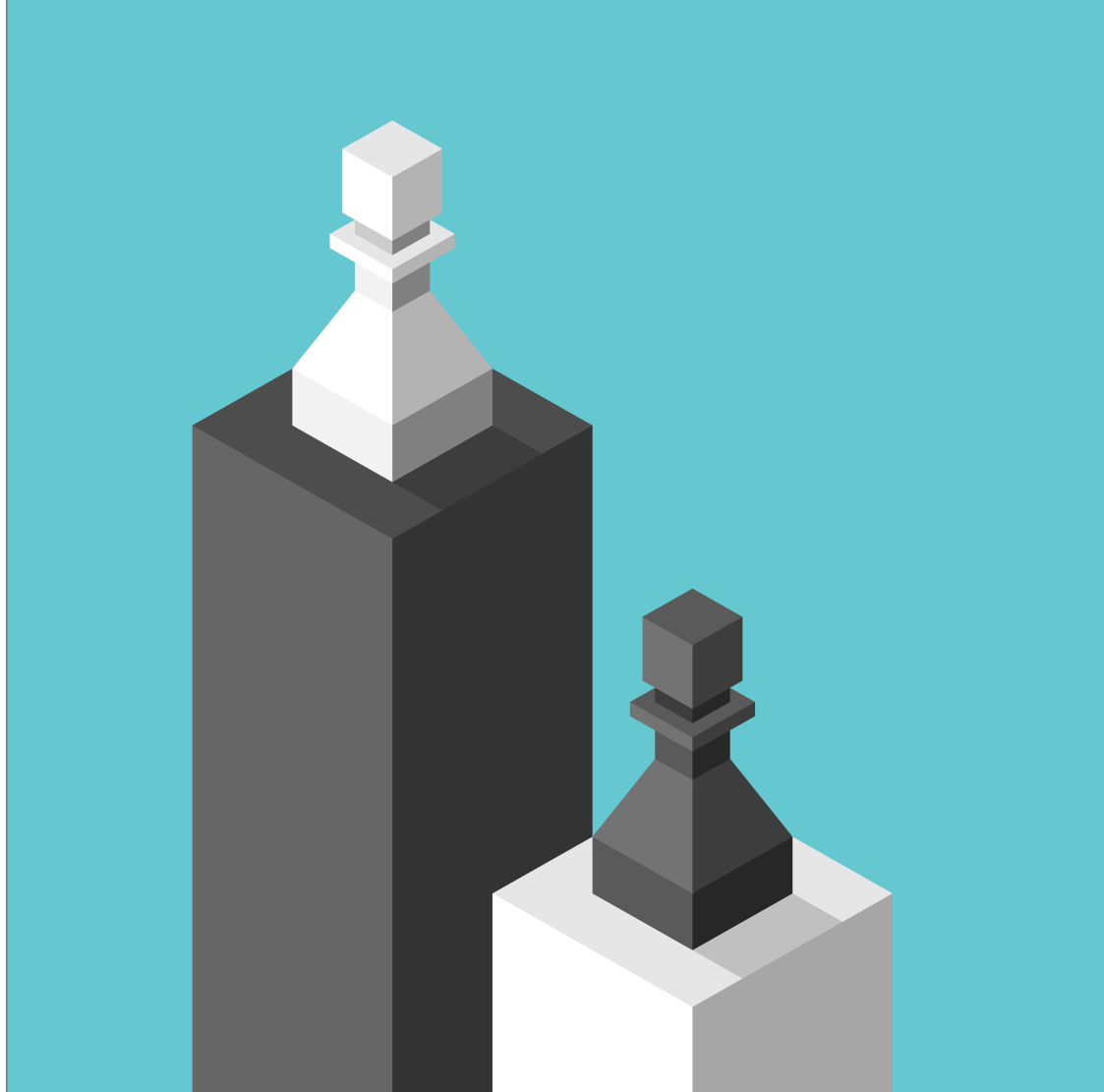
A handful of executives came together—Ken Frazier from Merck; Ginni Rometty from IBM; Kevin Sharer, the former CEO of Amgen; Ken Chenault, who had been the CEO of American Express; and Charles Phillips, who had worked in senior leadership roles at companies such as Oracle—and decided that we’re going to enlist our peers and colleagues in the corporate sector to go after this goal. And that’s how OneTen was born.

P+S: What is your playbook at OneTen to achieve this goal?

Jones: It’s not enough just for companies to embrace the idea of focusing on skills first rather than always requiring a four-year degree. You need a high-functioning ecosystem for this to work. You need companies that have the jobs to be willing to remove the four-year degree requirements. You also need the talent to be ready for work, and so you need help from the organizations that can help make that talent ready, such as community colleges, coding bootcamps, and military-transition and apprenticeship programs.

Lastly, you need the support systems that the talent needs outside of a job in order to be successful—transportation and childcare that is accessible and affordable, for example. Our job is to knit together that ecosystem and to scale it. So we’re the intermediary trying to make matches between talent supply and demand, using a technology platform to bring these people together. We’re also the intermediary that’s recruiting childcare enterprises and others to provide support for the talent. We’re also the ones trying to vet and recruit talent development organizations to help make the talent work-ready. And we are measuring our successes.

For example, from March 2021, when we really got started, to the end of September 2022, we hired and promoted more than 73,000 Black talent without four-year degrees into family-sustaining jobs at the member companies of OneTen. What we want to do over time is to track the increase in wealth in Black communities in the communities where OneTen is operating.



Ultimately, we’re trying to narrow this wealth gap in our country that largely breaks down along lines of race and place. And that gap is severe. ... There is a 10x difference in the wealth of white families in America versus the wealth of Black families.

Ultimately, we’re trying to narrow this wealth gap in our country that largely breaks down along lines of race and place. And that gap is severe. Published data shows that there is a 10x difference in the wealth of white families in America versus the wealth of Black families in America.

P+S: Where are you on the optimism-pessimism scale about real and lasting change taking place?

Jones: I am definitely optimistic. Think about what’s going on now. You have a private sector-led movement called OneTen that is unambiguously and unabashedly focused on the racial

wealth gap and attempting to close it, and you’ve got almost 75 CEOs who have committed their companies to join this effort. And they’re committing to doing this for 10 years.

This skills-first momentum I’m seeing is really starting to spread across the private sector, which is motivated to act for a number of reasons, one of which is they need more workers. They need talent from different places than they’re getting talent now.

There’s no question we need the public and private sector to work together on this. But what is most encouraging for me is the private sector stepping up and saying, yes, this is our responsibility, our opportunity.

In First Person: Maurice Jones

P+S: What might slow that momentum?

Jones: We're probably going to see a recession this year, which inevitably will chill some hiring. A long-term risk stems from the fact that the CEOs who are committing themselves and their companies to this work right now probably won't all be in their roles in 10 years. So leadership transitions are a risk in our journey because it has become abundantly clear that the most important ingredient to success here is leadership.

P+S: How does your work at OneTen connect with you at a personal level?

Jones: This is intimately connected with my life. I was raised by grandparents. My grandfather was born in 1914, and my grandmother was born in 1919. We were farmers and sawmill workers in a rural town in Virginia. My grandfather went to school for six years in a barn and then, mostly because of his color, he couldn't go any further than that. He had to go out and go to work.

My grandmother, who lived close to town, was able to walk to the local segregated school for coloreds, as we were called then, and get her high school diploma. Neither one of them was able to go beyond that because of their race, and because of what our country was at that time.

They raised my mother, and they raised me. I owe them everything I have. And so when I go to work for OneTen every day, I go to work for my grandparents.

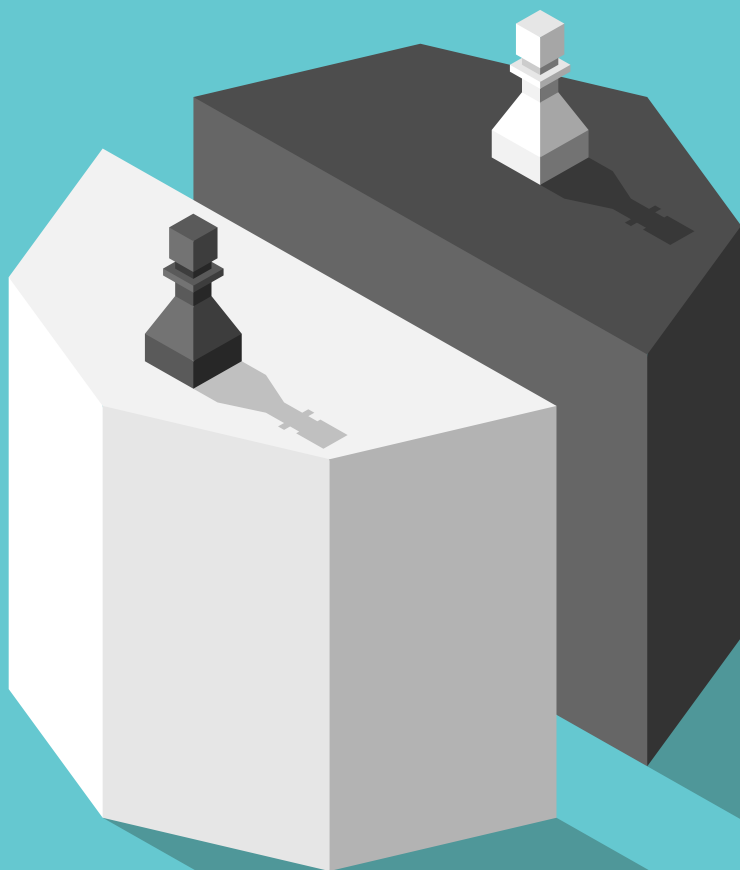
They were the most brilliant, transformative, loving people in my life, and I certainly wouldn't be here talking to you but for them. So this is certainly a professional journey, but it's even more powerful for me on a spiritual and personal front.

P+S: Given the startling data points that you shared about how the requirement of college degrees shuts out so many people, I wonder whether decades from now people will look and wonder, in effect, what were we thinking?

Jones: I don't think it's going to take that long. I think companies are already having those epiphanous moments. Here's an example: I was talking to a company that was trying to hire people to do coding jobs, and they had a four-year degree requirement for those jobs. So, on paper, I would be more competitive for getting an interview for that job, because of my BA in political science, than someone who did an eight-week bootcamp in coding.

So here is an alert for all companies: If you interview me for a coding job before you interview somebody who completed an eight-week coding bootcamp, you have a dangerous business practice. So that moment is now, and companies are looking at their policies and saying, "What were we thinking?"

And, by the way, it turns out that skills are five times better at predicting success on the job than education, and skills are two-and-a-half-times better at predicting success on the job than experience. And for employers who focus on skills instead of credentials, that means they are not paying a premium for a credential that isn't necessarily relevant to the job. More and more companies understand the business case now. It's powerful. ■■





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The View of DE&I from the Boardroom

Directors bring their own unique perspective to the timely issue of DE&I. So what has changed and what still needs to change from the perspective of America's boardrooms? Directors Roundtable editor **Dawn Zier** sat down with three leading directors with deep board experience for their thoughts on actions taken, progress made and how to move forward from here.

Participants

Shellye Archambeau, director at Verizon, Roper Technologies and OKTA

Patrick Gaston, director at Laird Superfood and former chairman of board at Bed Bath & Beyond

Myrna Soto, director at Spirit Airlines, CMS Energy, Popular Inc. and Trinet Inc.

MODERATOR: Dawn Zier, director at Hain Celestial Group and Spirit Airlines

‘You get what you measure. Corporations are pretty good with measuring things they care about ... but the emphasis needs to be on accountability. How are you holding people responsible? What are the implications if they get it done? And what if they don’t?’

—Patrick Gaston



People + Strategy: How should organizations and boards measure and assess whether real progress has been made on this issue?

Shellye Archambeau: Whenever you have a problem, the first step is acknowledging it and putting focus on it. Companies have done that. There’s been acknowledgement, and that itself is progress because then you can start to put frameworks in place. The next piece is setting a strategy aimed to improve overall DE&I.

One way to evaluate if that strategy is taking hold is by watching how much the company talks about it with shareholders. DE&I is now discussed in annual reports and raised on earnings calls. That’s progress in the corporate arena. Then once you have a strategy in place, you need metrics to track progress.

And here’s where I see differences. Some companies have been very strategic in terms of understanding where they are by creating a baseline and then measuring how they’re doing against that, while others have used broader generalizations. Companies that put together quantifiable metrics and then measure against them are the ones making real strides. Another differentiator is whether a company’s overall approach to DE&I is an initiative off to the side or is it embedded into the overall strategy and fabric of the company.

Myrna Soto: I think we’ve made progress in a number of diverse communities as it relates to representation in the boardroom and some, but definitely not enough, on the executive leadership front. The frameworks that we consider

in a number of the companies that I serve on are broad. In one company, the board has focused on making sure dollars are being spent in a diverse way with suppliers. We’re forcing a bit of a narrative to ensure our executive management team looks to diverse sources of services, products and supplier bases so we can have a larger impact to DE&I outside of our walls.

It’s really about creating opportunity for smaller businesses run by diverse owners and entrepreneurs so they have a chance in the ecosystem. And that’s measurable. It’s important to set goals that we are held accountable to and to report against them. We won’t make progress on anything that isn’t overtly measured.

A real challenge is that you don’t want organizations to feel they’re being forced to hire, promote, place or appoint diverse candidates without strong qualifications. So, the key is really focusing on the interview cycle, the sourcing of candidates, whether it be for middle management, executive management or the boardroom, and really making a core emphasis on qualifications and experience.

Patrick Gaston: You get what you measure. Corporations are pretty good with measuring things they care about, whether it’s customer-, revenue- or profit-driven metrics, for example. On the DE&I front, companies have been measuring number of hires, number of minorities, number of women for years.

Measurement is important, but the emphasis needs to be on accountability. How are you holding people responsible? What are the implications if they get it done? And what if they don’t?

Are their bonuses tied to measurable change? Another way to ensure real progress is to drive toward having your workplace be representative of your customer base with a prerequisite that you must have the right skill sets.

P+S: We’re seeing diversity increase in the boardroom, nudged along by states like California, Nasdaq and some institutional investors demanding it. How do you feel about mandates around diversity? How do you think through board composition?

Soto: I’m not a fan of regulatory/legislative mandates because it forces the wrong behavior. You end up being in a circumstance where everyone in the boardroom is wiping their brow and saying, “We’ve got to find X to diversify the board,” when, in fact, that could actually compromise other forms of diversity, including diversity of skill sets, industry experience and thought leadership, that go beyond the color of someone’s skin, gender, etc.

If the SEC wants to say, “Look, I’m not going to mandate but I want you to disclose,” it triggers you to pause. It triggers you to think about how you’re making these decisions. And it kickstarts organizations that have been complacent to act.

On the other hand, progress has been slow, with some influx over the last couple of years as a result of large-scale public incidents. So you have to ask, “What does it take?” I’d much rather be adding diversity for the right reasons—to represent our customers and to represent the communities we’re serving.

Directors Roundtable

The View of DE&I from the Boardroom

Gaston: When you have external stakeholders, including government, saying you need to do something about diversity, and when you have regulations and the threat of litigation, that creates a bias for action. So, yes, I think mandates and external pressures are helping companies get there faster.

But I don't particularly like mandates because they only get you so far.

In some corporate cultures, you might institute mandates with strong enforcement efforts, but some employees may not believe in the change that is being encouraged and may not do it. This makes it very difficult for sustainable change.

Archambeau: I've always said that until the shareholders care about DE&I, companies aren't going to care or focus on it unless the individual leader happens to have a passion and/or understands the actual business implications of it. When we talk about mandates, companies already have them. Shareholders want to see profitable growth. So profitable growth becomes a mandate. That's what they expect.

I don't have a problem with shareholders saying we expect you to have a diverse leadership team because we see that diversity leads to better returns, and we want better returns. But I do find that when we start to get down to—I'm going to make it up—every board has to have 30 percent women, two Blacks, one Hispanic, one Asian, etc.—that becomes way too constricting because boards evolve. Overall, we want

a diverse board that reflects overall society, but boards are dynamic and you need to be able to flex.

P+S: Progress on diversity has been slower in the C-suite than in the boardroom, which seems like a disconnect because the C-suite has historically served as the pipeline for future directors. How does this ultimately get addressed and how should the board provide oversight around this?

Archambeau: One reason we've made more progress in the boardroom than in the C-suite is because we have a much broader pool of candidates to pull from for boards. For boards, we can select people who have experience from all over the world, in all kinds of industries and functional areas. And two, we're still not effectively making sure that we have a diverse set of rising people who have all the skills that we want them to have when they start to get to that senior level. I think many times we take the easy route—we need diversity so we put people in slots versus putting them on career paths.

What happens is they get pretty high up in the organization, but they haven't run a P&L at scale. So are they really in line for a C-suite job? No. If they are, it's often a staff job, and not an operational role. So we have to do a better job of being intentional to make sure our pipeline candidates are getting all the skills they need to be able to effectively compete

because otherwise, they're on the list, but they're not going to land the role.

In addition to intentional career pathing, there are simple things that companies can do to drive progress. CEOs should ask all their direct reports to sponsor two people in the organization who don't look like them. Notice I said "sponsor." Part of being a senior leader is being able to identify and develop talent, so prove it. When leaders understand they're being measured on how well they develop and groom people, they will drive change.

Gaston: Hiring for diversity in the C-suite is more difficult than hiring at the board level. It starts with the will, the plan, the accountability structure and the ability, frankly, to get it done. Not all CEOs are readily equipped to do it. So once you get to a place where you can effect change, whether as a director or an executive, you need to push to make sure that the leaders reflect what you're trying to do, not just in terms of how they look, but in their ability to look within the enterprise and establish a plan and accountability to start bringing up the next generation of leaders.

Boards should be challenging and holding CEOs accountable to doing this. C-suite executives generally are smart; they know that if they drive sales and achieve defined financial and strategic outcomes, they'll get rewarded. But they might just gloss over the DE&I initiatives. If you make DE&I metrics part of the bonus calculation, people are going to start paying greater attention to it.



'CEOs should ask all their direct reports to sponsor two people in the organization who don't look like them. ... Part of being a senior leader is being able to identify and develop talent, so prove it. When leaders understand they're being measured on how well they develop and groom people, they will drive change.'

—Shellye Archambeau

‘One thing worth revisiting in the boardroom is adopting age or term limits ... that allow for more refreshment to create opportunities to enhance diversity at a heightened pace. One of my companies just added an age limit for this specific reason. That’s a bold move.’

—Myrna Soto



Soto: I’m part of the Latino Corporate Directors Association. For years, we’ve focused on how many people are on the executive track for a variety of organizations. We’ve made some progress in that arena—in some industries more than others. But now we’re spending all our energy on core readiness programs.

Just because you have a C in your title doesn’t necessarily mean you’re going to be a formative and effective board member. One of the ways we’re trying to tackle this is to identify functional leaders who have both business acumen and that innate leadership quality and get them board-ready.

I also serve as a faculty member for World 50, a membership organization that pulls together the top 50 CXOs by function. So, the top 50 CMOs, top 50 CEOs, etc. We’ve developed a program called Next Director, which takes people and nominations from these World 50 groups and builds their competency in becoming a board director to create the next pool of potential directors from a diverse population—diverse in terms of both function and core diversity. These are the types of frameworks that I think more companies need to use.

P+S: Are you seeing robust discussions around DE&I in the boardroom and what does that look like?

Gaston: Conversations around DE&I are much more common when you have something like what happened to George Floyd or something sensational take place. We see it on CNN, we see it on Fox, and it can serve as a catalyst to do something. But my view is that sustainable change shouldn’t be reactionary.



Directors Roundtable

The View of DE&I from the Boardroom



It needs to be a disciplined, strategic, methodical approach tied to the bottom line, with both the C-suite and board understanding the strategic rationale and their role in making it happen.

There's a wonderful opportunity for boards and CEOs to do that and do it the right way. But despite many conversations, it's not happening fast enough. And I worry that ultimately it could get to a place where other watchdog organizations jump in and it becomes less effective, less strategic, less impactful and people are just checking the box. I'd hate to see that happen.

Archambeau: DE&I should be something that is reported to the board as part of the overall strategy and dashboard of how we're doing. It should be embedded in all conversations and not a standalone agenda item. If you're truly focused on DE&I, it's more than internal talent metrics—it's how we do business. What do our customers look like? What do our suppliers look like? Is our advertising representative of who we serve?

Soto: We can only diversify boardrooms to the extent that board seats become available, and it's a numbers game. There's a finite set of publicly traded board seats. One thing worth revisiting in the boardroom is adopting age or term limits that make sense for the company and make sense for the dynamic of the board but that also allow for more

refreshment to create opportunities to enhance diversity at a heightened pace. One of my companies just added an age limit for this specific reason. That's a bold move.

P+S: Can you share examples of initiatives inside or across organizations where you think real strides are being made? Are you seeing programs within companies being implemented to elevate, develop and invest in diverse talent—and are they resulting in real change?

Soto: What is working really well in several organizations that I'm associated with is changing the way that we look at the requirements for a role and doing talent mapping. We look at all our peer companies and competitors and measure how diverse their executive management is versus ours.

Where do we have an opportunity to look at different candidate pools that we may not have looked at in the past? Some companies have a harder time than others accepting the idea of, "Can we look outside of the industry?" These are the types of conversations that boards need to focus on and influence as much as possible.

I also applaud what Accenture did back in 2017 when they said they would reach workforce gender parity by 2025. They achieved that in late 2021. This is a great example of a CEO who went

on record and made a commitment to change and to transparency. We need more CEOs who are willing to publicly commit to diversity metrics.

Archambeau: One of my companies created a steering committee because they realized they needed to jump-start change. They invited one board member to be part of this effort and the board member would then give an update at the board meeting in a similar fashion to committee updates.

Transparency and visibility to the board underscored to the employees how important this issue was being regarded. Another thing that can be done is to create opportunities for diverse employees to have engagement or interaction with the board on a periodic basis.

Gaston: A lot of companies have instituted councils that bring diverse employee groups together to create inclusion. However, these groups don't generally address some of the most troubling issues around DE&I, such as real equity in the workplace. So, I'm not sure about their lasting utility, although they were created for the right reasons and probably do have an impact in getting the C-suite to move faster.

If you're going to have a council sort of approach, it might make sense to look from the outside-in. At Verizon, we created a board of external consumer advisors that reflected the diversity of our marketplace. We invited leaders from the NAACP and different consumer and institutional groups—people whose voices we thought were important and reflective, and who could tell us what was going on outside of our microcosm and provide thought leadership on how to positively accelerate change. ■■



The Directors Roundtable was hosted by **Dawn Zier**, the former CEO of Nutrisystem and a current board member at Hain Celestial Group and Spirit Airlines.



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For more data and details, visit <https://shrm.co/tfaw-spring23>

*Source: *The Journey to Equity and Inclusion*, SHRM, 2020.



The Illusion of Inclusion: Four Traps That Undermine Authentic Diversity

By Heidi Gardner and Brad Winn

In recent years, many boards and executive teams have made notable progress diversifying. Both before and after George Floyd's death and the subsequent racial reckoning, these groups have brought in more women, people of color and individuals from other underrepresented groups.

For example, in 2022 women held

28 percent of the Russell 3000 company board seats, up from 26 percent in 2021 and 23 percent in 2020. Also promising is the fact that in 2022, 140 companies in the S&P 500 had a combination of women and people of color who made up more than half of the directors in the boardroom. Additionally, many European countries

have mandated that at least 40 percent of directors of publicly listed companies be women.

Clearly, much work remains to be done in diversifying the top layers of leadership in today's companies. But just as important is the task of ensuring that these individuals are included in decision-making. When organiza-



tions do not practice true inclusion, diversity efforts can actually backfire. This article looks at the various ways that mismanaged diversity undermines inclusive collaboration, and we will provide research-backed approaches for senior leaders and board members to overcome the illusion of inclusion.

Mismanaged Diversification

The threat of mismanaged diversity efforts is alive and well in corporations around the world. While numerous studies show a correlation between companies with diverse leadership and business success, an even greater number of studies show that a nonstrategic or poorly managed approach to diversity can negatively affect performance.

One possible dysfunctional team outcome is that employees become fearful of conflict, so they stop communicating or only talk with others similar to them. As a result, the group fractures instead of collaborating. This phenomenon is documented in “What Differences Make a Difference? The Promise and Reality of Diverse Teams in Organizations,” an article in *Psychological Science in the Public Interest* by Elizabeth Mannix and Margaret Neale.

Appointing people from underrepresented groups will not result in expected positive outcomes if they encounter hostile or noncollaborative team cultures. Real inclusivity requires leaders to engage in the skillful art and science of smart collaboration. Exclusionary cultures often go unnoticed by the majority but can be painfully apparent to certain team members who may withdraw or forego sharing their knowledge and perspectives.

Traps That Inhibit True Collaboration

In the following section we dig deeper into the top collaboration “traps” that inhibit smart collaboration, and we suggest ideas for building truly inclusive team cultures.

Collaboration Trap 1: Tokenism

Women, people of color and individuals from other underrepresented groups are increasingly pulled into projects and onto teams. But this

Taking DE&I efforts to the next level requires senior leaders to move from focusing on diverse composition to diverse contribution.

doesn't mean they are meaningfully contributing to the team's work. We often find that these individuals are assigned small pieces of work that don't allow them to develop skills or forge strong relationships with clients and more senior colleagues. These “token” teammates are leveraged for busy work and excluded from being part of the “room where it happens.”

This was reflected in the research of MIT scientist Ben Waber, who examined a combination of email, calendar and chat data across a well-regarded corporation in which about half of the employees were women. He found that in many divisions, both genders were equally likely to be “in the room” for important meetings. But in one unit with more than 1,000 employees,

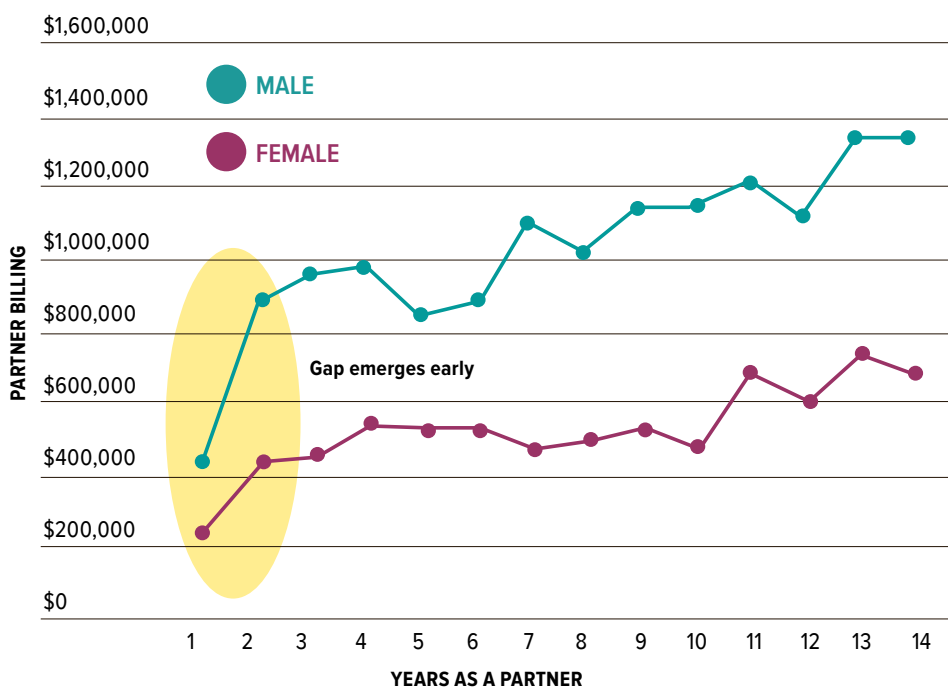
women were only invited to 5 percent of these critical meetings. One female leader we spoke with succinctly summed up the feeling of being a token collaborator: “I felt like I was warming up to be on the sidelines but was never put in the game.”

Collaboration Trap 2: Mini-Me-ism

Homophily is the basic human tendency to form connections with people who are like you—those with the same age, gender, ethnicity, socioeconomic status, personal beliefs, and so on—which leads people to exclude others. So even if you are surrounded by people who are different, you gravitate toward those who are like you, prefer those who are like you and offer the best opportunities to those like you.

Within professional services firms, homophily is often at play in succession planning. A recent study by researchers at Simon Fraser University (“Passing on Power in Professional Partnerships,” 2019) has revealed that men are far more likely to be selected as the lead partner for the firm's existing clients, essentially handing them a book of business. Women, on the other hand, must build their revenue by attracting new clients (*see chart below*).

PROFESSIONAL SERVICES FIRMS: GENDER DISCREPANCY IN BILLING



Linking Theory + Practice

The Illusion of Inclusion: Four Traps That Undermine Authentic Diversity

Professionals often think they're handing off business to the most deserving candidate—the one inspiring the most trust in the client. But what often happens is they are creating opportunities for their “mini-me,” who is often a white male of a certain age with a particular manner of dressing and comportment.

Collaboration Trap 3: Fear of Conflict

Poorly managed diversity often makes people afraid of conflict, causing them to stop communicating with a larger group and instead only talk with those who are like them. One common scenario is managers who stifle conflict when it presents itself, as opposed to allowing it to shape a fruitful dialogue.

One manager told us, “I'm open to challenge. But do it with me one-on-one, not in the team meetings.” While there is a time and place for one-on-one meetings, removing conflict from larger discussions discourages inclusive participation and the many benefits it brings, including more comprehensive solutions from having viewed a problem from many angles.

Lack of conflict in larger groups may also risk creating a back-room culture

in which side deals get cut. That's the opposite of inclusivity. Members of a dominant group might band together to determine the course of a project, for instance, or new hires commiserate and plan their next career move.

Collaboration Trap 4: Drowning Out

Drowning out means people interrupt others or keep them from participating, either on purpose or inadvertently. This phenomenon was studied in the national parliaments of Australia, the United Kingdom and Canada, where women members of Parliament were interrupted more frequently than their male participants. This led many women—both those who had been interrupted and their peers who were afraid of being shut down—to stop participating in floor debate and discussion.

Silence in a governmental context has dire consequences: Members who don't participate are less effective at representing their constituents' interest. And in a business environment, it also means that fewer voices are heard and integrated into decision-making.

When drowning out and associated behaviors are not called out, discussed and resolved, they tend to become culturally acceptable, causing long-term organizational dysfunction that negatively affects employees, constituents, customers, partners and other stakeholder groups.

Promoting Inclusive Team Cultures

Taking DE&I efforts to the next level requires senior leaders to move from focusing on diverse composition to diverse contribution. This occurs as organizations promote inclusion and collaboration from junior levels through middle management, executive leadership teams and boards. They do this best by addressing two overarching categories: 1) measuring and monitoring effects across the organization and 2) building an inclusive learning culture.

Measure and Monitor Effects Across the Organization

To succeed at inclusion, leaders must measure results. For example, beyond tracking the representation of various groups in the workforce, it's important to measure whether the people in those groups are actively engaged in the core work of the organization. Some key questions to ask include:

- What types of work are different kinds of people spending time on?
- How many people are included in core work, and are thereby in a position to make real contributions?
- Who is reaching out to the broader organization, and how extensively do their peers respond? (Digital workplace platforms, email and calendars contain extensive data on who is communicating or meeting with whom, and how often. Other sources for information include timesheet records, project rosters and project management databases.)

It's also important to set goals around inclusive collaboration and contribution—and then track those goals. For example, if it's apparent that only a small minority are assigned significant work that results in real contributions, a new metric may be required for that area. Then scorecards and dashboards can be leveraged to measure progress against your goals, create a healthy sense of competition among peers and make critical information accessible. A good rule of thumb is to err on the side of oversharing inclusion-related data to make the process more transparent.

Organizations also need to assess people's subjective experiences of inclusion: Do they feel they are valued, respected and listened to? For this effort, they can use tools like Gartner's Inclusion Index, pulse surveys and sentiment analysis, which uses technology to identify and characterize opinions expressed in text or phone calls to pinpoint individuals' attitude about a particular topic. From this data they can develop and implement strategies that are likely to have the most impact.

Appointing people from underrepresented groups will not result in expected positive outcomes if they encounter hostile or noncollaborative team cultures. Real inclusivity requires leaders to engage in the skillful art and science of smart collaboration.

Build and Nurture an Inclusive Learning Culture

An inclusive learning culture encourages curiosity, explorations and a genuine interest in other points of view. An organization with this approach seeks out diverse viewpoints, avoiding the collaboration traps discussed earlier. This has been confirmed by Harvard professors Robin Ely and David Thomas, whose groundbreaking research shows that a learning culture directly promotes inclusivity.

Yet, many leaders don't seem to value this kind of culture, and those preferences trickle down to middle managers and employees. Research by Francesco Gino at Harvard Business School found that only one-quarter of people reported feeling curious about their work, and 70 percent said they faced barriers to asking more questions at work.

Here are three important questions to ask about leaders:

- Are your leaders encouraging the curiosity that underpins an inclusive learning culture?
- Do they give and receive constructive feedback?
- Are they open and approachable?

The last question is key: When leaders open up about their experiences—including those involving race, disability or gender identity—they are encouraging others to do the same. This helps foster an environment of psychological safety in which people feel they can share their unique perspectives, admit mistakes and challenge others.

Think about a particular life experience that might be considered a weakness, such as living in poverty during your early adulthood. Is your work environment such that people would be accepted for sharing this story?

Curiosity can also be extended to mentorships. One analysis suggested that women and people of color viewed their mentors more as providing monitoring or another unhelpful intervention. This indicates that mentors need to know how to mentor across differences and understanding the specific issues faced by underrepresented minorities.

For instance, organizations could hold discussions on a smaller commu-

Poorly managed diversity often makes people afraid of conflict, causing them to stop communicating with a larger group and instead only talking with those who are like them.

nity level, followed by focused discussions at multiple levels of the organization to promote inclusivity. Learning, growth and inclusion can also be nurtured through reverse mentoring programs, where junior people are invited to offer advice to senior leaders in the company.

Conclusion

Many people are now reflecting on how far society has come since the death of George Floyd and ensuing efforts to promote greater racial equality.

One place in which racist practices still manifest themselves is in workplaces, where people of underrepresented races aren't given a real platform for meaningfully contributing to important work.

Leaders that overcome the illusion of inclusivity move from a focus on diverse composition to diverse contribution. And they do this through smart collaboration.

Organizational cultures that are grounded on real inclusivity—a form of smart collaboration—are more likely to call on the right people at the right time (regardless of their place in the formal hierarchy), to value unorthodox contributions and to give employees from diverse backgrounds more opportunities to engage in higher-value work.



Dr. Heidi K. Gardner is a Distinguished Fellow at Harvard Law School and former professor at Harvard Business School. She is currently the

faculty chair and instructor in multiple executive education programs at both institutions. She is a sought-after advisor, keynote speaker and facilitator for organizations globally.



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Business at Utah State University. He serves as a Senior Editor for *People + Strategy* and is the Principal of Winn Consulting Solutions. He can be reached at brad.winn@usu.edu.

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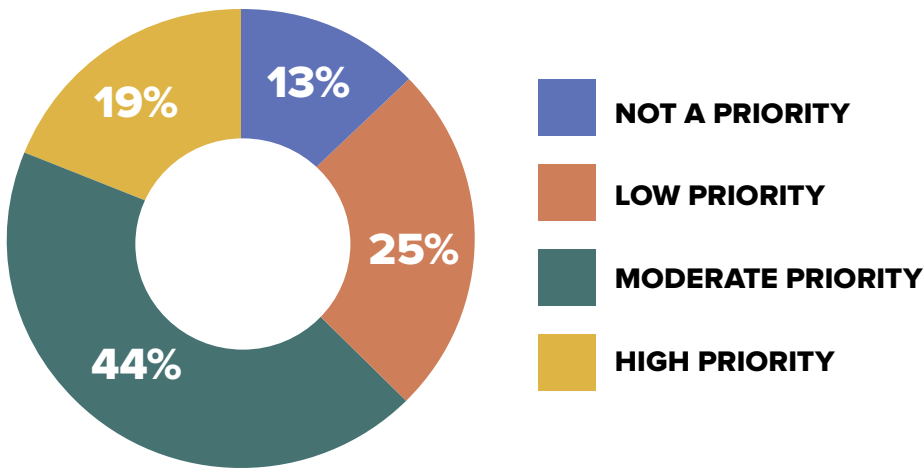
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The View of DE&I from HR and Employees

Three years ago, corporate America promised fundamental changes in response to the murder of George Floyd and the resulting explosion of racial reckoning. Has that talk around diversity, equity and inclusion turned into true action? To find out, SHRM Research surveyed 241 executives, 924 HR professionals and 1,887 U.S. workers to understand this path to progress.

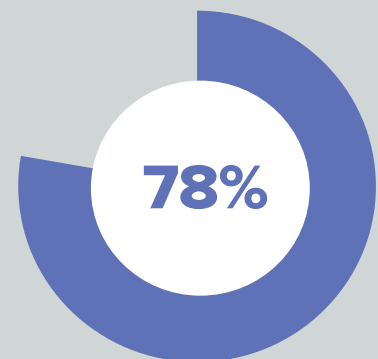
Is DE&I a priority for your organization?

Percentage of HR executives who say that, in their organizations, DE&I is:

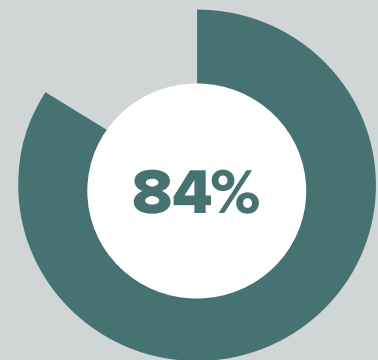


KEY ELEMENTS: Resources & Support

Among HR executives who say their organizations prioritize DE&I to some degree, **78 percent** say those leading DE&I efforts are given the resources needed to be successful, and **84 percent** say those leading are given the executive-level support needed to be successful.



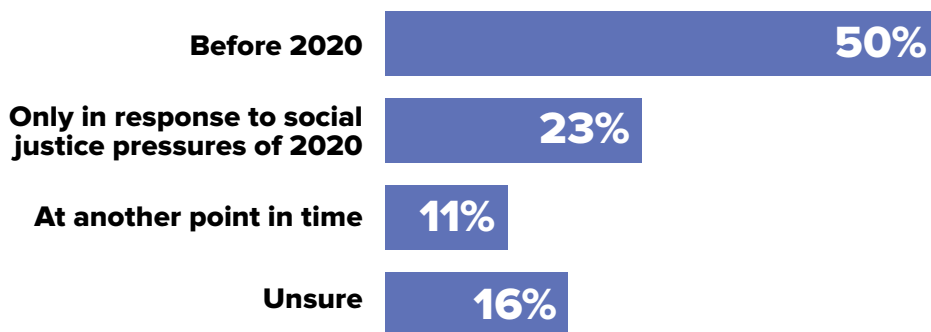
RESOURCES



EXECUTIVE-LEVEL SUPPORT

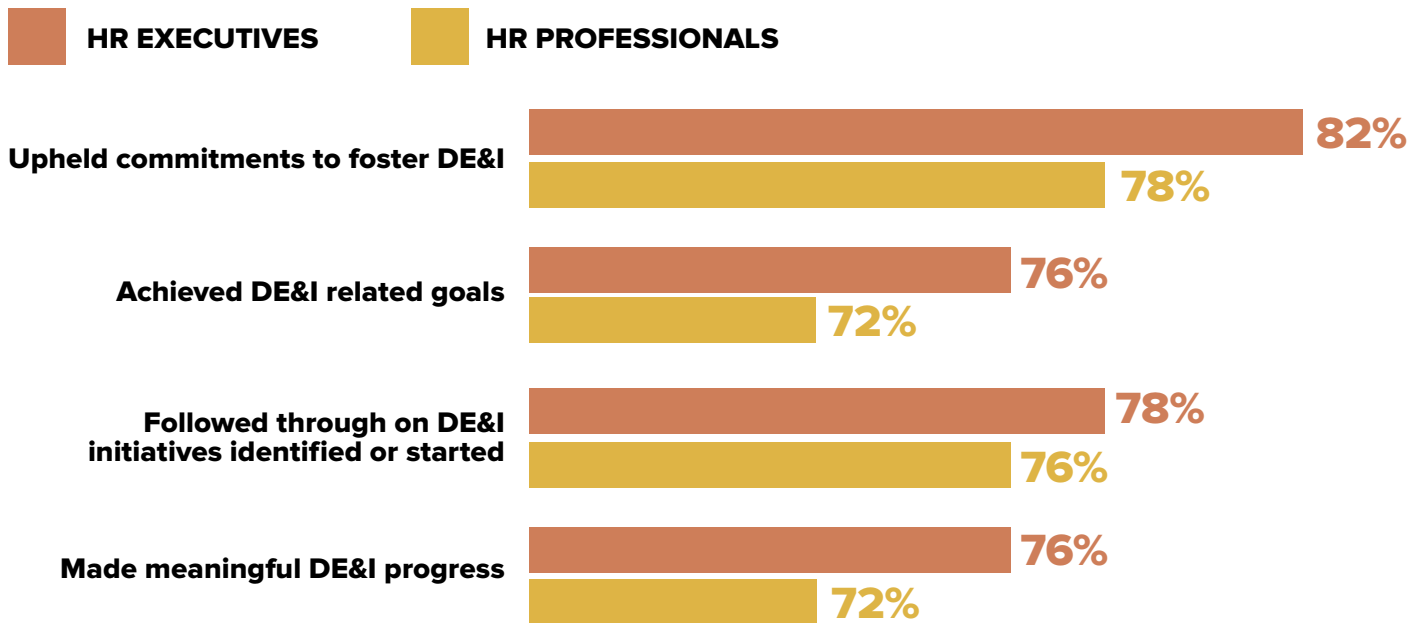
When did your organization start prioritizing DE&I?

Among organizations that prioritize DE&I to some degree, HR executives say that focus began:



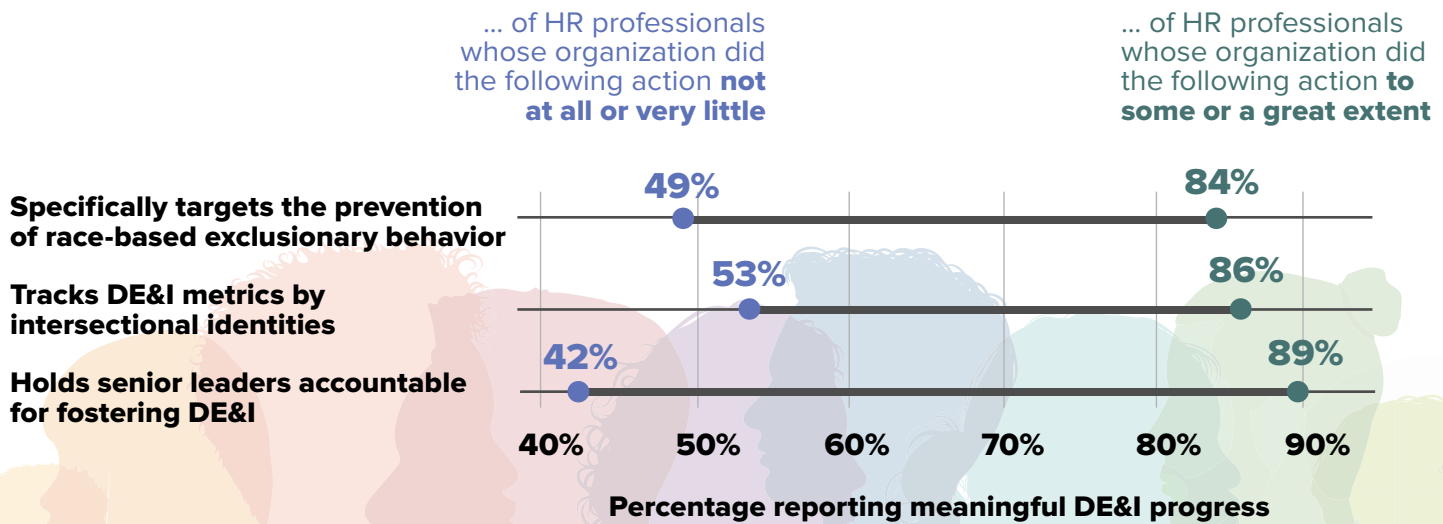
Turning organizational promises into action

Among organizations that prioritize DE&I to some degree, here is the percentage of HR executives and HR professionals, respectively, who report that their organizations have done the following in the past two years:



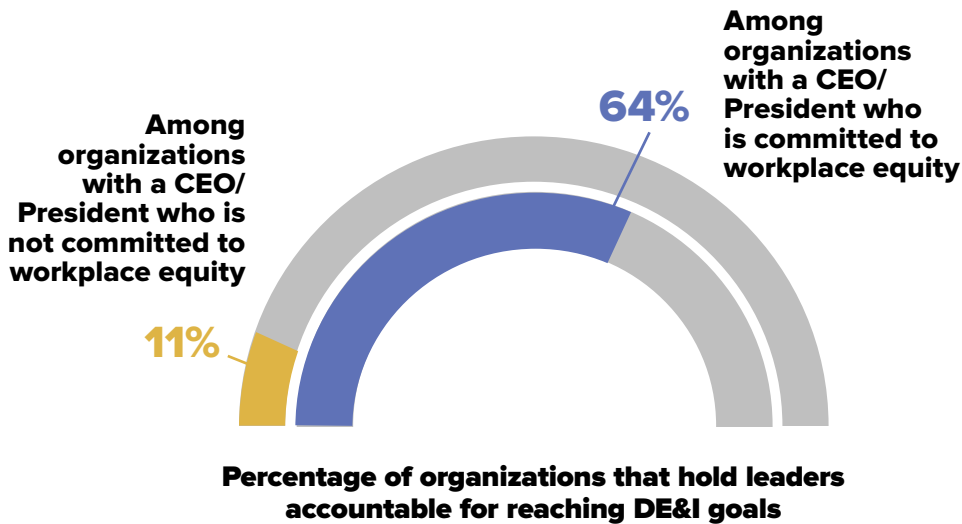
The reasons for meaningful progress

Organizations that take certain actions are much more likely to have made meaningful DE&I progress in the past two years:



CEO commitment is essential

Overall, **58 percent of HR professionals** say their organizations have held leaders accountable for reaching DE&I-related goals in the past two years to “some extent” or a “great extent.” But when an organization’s top executive is committed to ensuring workplace equity, that organization is **six times more likely** to hold leaders accountable for reaching DE&I goals.



Race-based exclusion is an ongoing problem

Increasing accountability is important because discriminatory behaviors continue to exist in the workplace. The following chart represents the percentage of people of color who say they’ve experienced each of these race-based exclusionary behaviors:

People at my work act as if all people of my race are alike



Others at work suggest that people of my racial background get unfair benefits



My work contributions are dismissed or devalued because of my racial background

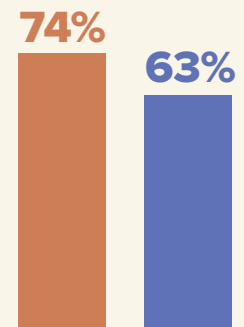


Note: Percentages refer to those who answered “to some extent” or “to a great extent.”

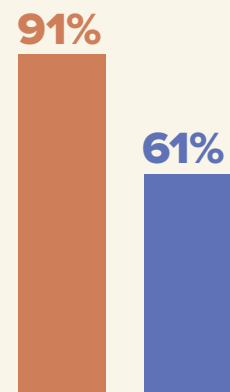


SPOTLIGHT

Racial disparities in access and representation



I am given equal access to opportunities and/or resources at work



I see people of my racial background in leadership positions

Moving Beyond Good Intentions: Three Key Actions to Achieve Meaningful DE&I Progress

By Ragan Decker, Katrina P. Merlini and Daroon Jalil

In light of the global protests against racial injustice three years ago, many organizations pledged to make diversity, equity and inclusion (DE&I) a priority. Despite these promises, recent media reports indicate that some organizations have cut DE&I positions due to the current economic climate, raising concerns about organizations' long-term commitment to these values.

This prompts the question: Was organizations' heightened focus on DE&I just a fad, or have organizations made such considerable progress that some no longer recognize the value of formal DE&I positions?

New SHRM research shows that almost two thirds of executives (63 percent) currently view DE&I as a moderate or high priority for their organizations. Further, according to SHRM's 2022-2023 *State of the Workplace* report, most executives (53 percent) plan to initiate new DE&I efforts or expand on existing efforts in 2023. While this data suggests that DE&I efforts are not necessarily disappearing, prioritizing DE&I is merely the first step. And questions regarding whether organizations have made meaningful progress remain.

According to new SHRM data, many organizations that prioritize DE&I to some degree have reported meaningful DE&I progress in the past two years, as reported by both executives (76 percent) and HR professionals (72 percent).

While giving enough support and resources to DE&I efforts is essential, that alone cannot guarantee sustained progress in DE&I. SHRM's latest findings suggests that organizations can achieve or maintain meaningful DE&I progress by committing to three key actions:

1. Prevent exclusionary behavior

Exclusionary behaviors can push marginalized employees further into the margins and stall DE&I progress. Unfortunately, these behaviors are often subtle, and people who engage in these

behaviors often are not aware of the exclusionary impact.

This is a clear area where organizations can take meaningful action. Indeed, SHRM data shows that HR professionals who say their organizations specifically target race-based exclusionary behavior through policies and training are almost twice as likely to report having made meaningful DE&I progress (84 percent) compared to organizations who do not target these behaviors (49 percent).

Implementing policies and providing training to address the harmful impact of exclusionary behaviors can help prevent workers from unintentionally engaging in these behaviors. It also results in a more inclusive workplace and improves retention.

In fact, previous SHRM research (*the American Workforce Roadmap Survey, SHRM 2021*) shows that workers who rate the inclusiveness of their workplace as excellent are less likely to actively seek another job (35 percent versus 51 percent). By preventing exclusionary behaviors, organizations create a more desirable workplace for all employees.

2. Track DE&I metrics by intersectional identities

Intersectionality recognizes that employees have multiple identities—such as their race, gender and sexuality—that interact and influence their experience in the workplace. SHRM research suggests that tracking DE&I metrics by intersectional identities is critical for DE&I progress.

Organizations that track DE&I metrics by intersectional identities were much more likely (86 percent) to say their organization has made meaningful DE&I progress, compared to organizations that don't track this data (53 percent). This type of tracking can facilitate a better understanding of unique areas of inequity.

For example, previous SHRM research (*Women in Leadership, SHRM, 2022*) found that female managers of color (57 percent) are less likely to feel included in

key networks at their organization than white female managers (65 percent), male managers of color (68 percent) and white male managers (73 percent). Without an intersectional lens, organizations may struggle to identify areas of inequity and, thus, ways to solve them.

However, it's important to note that tracking intersectional DE&I metrics only provides a roadmap. Leaders and HR professionals must have the data literacy skills to use these metrics to inform the development of targeted, data-driven initiatives, policies and education across all levels of the organization.

3. Hold senior leaders accountable for fostering DE&I

To drive meaningful DE&I change, organizations must hold their senior leaders accountable for nurturing their DE&I efforts. For example, while only 58 percent of HR professionals say their organization has held their leaders accountable for reaching DE&I related goals in the past two years, 89 percent of those organizations who do hold their leaders accountable say they have made meaningful DE&I progress, compared to 42 percent of organizations who did not hold senior leaders accountable. This accountability is especially vital as it signals that DE&I is a priority to the organization and DE&I efforts are being taken seriously.

In addition, holding senior leaders accountable for DE&I can help ensure that DE&I initiatives are integrated into the organization's strategy and decision-making processes. This can include setting specific DE&I goals and regularly reviewing progress toward those goals.

The bottom line: DE&I is a complex and multifaceted issue that requires sustained effort and commitment over time. It is not enough to just prioritize DE&I or allocate resources. To make meaningful DE&I progress, organizations must prevent exclusionary behavior, track intersectional DE&I metrics and hold leaders accountable.

Ragan Decker, Ph.D., Katrina P. Merlini, Ph.D., and Daroon Jalil are researchers at SHRM.

Deon Riley

**Chief Human Resources Officer
Bath & Body Works, Columbus, Ohio**

Deon Riley began her human resources career reluctantly—it wasn't her original career path. After receiving her MBA, Deon joined an aerospace company in a management rotation program that included sales and other functions. At the time, she was dissatisfied with HR and voiced concerns, so she was surprised when her manager walked in one day and said, "You know that function you complain about all the time? Well, your next rotation is HR."

She soon realized how rewarding the role could be and how much change she could influence through HR. After six months, her manager offered her a different assignment, but she turned it down. "I loved the business side, but the people side is what gave me adrenaline," said Riley.

For the next 20 years, Riley advanced in HR positions at PepsiCo, Abercrombie & Fitch and Ross Stores. She was named the CHRO of Bath & Body Works in 2020.

HR HAS TRANSFORMED OVER THOSE 20-PLUS YEARS. WHERE HAVE YOU SEEN THE BIGGEST CHANGE?

If you had asked me about the primary role of HR five years ago, it was making sure we have the right talent in the right place doing the right things. Those capabilities are still essential, but today's HR must also be a key enabler for the company's strategic pillars of DE&I, ESG and well-being. As an HR leader, you must understand the business, the competition, the macro-economic environment and the issues impacting people outside of the office.

The human element of human resources has never been more critical than it is now. Everyone is unique, and we need to consider how we're meeting everyone's needs. Since the start of COVID, every conversation we're having in the business includes a discussion about the impact on people.

HOW DOES THE CHRO POSITION IN A RETAIL COMPANY COMPARE TO OTHER CHRO ROLES?

Human resource leaders face their own set of challenges in the retail industry. They lead an employee base with very diverse education levels and socio-economic backgrounds. A significant portion

of the employee population is geographically dispersed, making it harder to consistently provide positive experiences. It's a complex industry, so I often collaborate with HR leaders at other retailers and consumer products companies to discuss current issues and share best practices.

HOW HAS THE WORKFORCE CHANGED SINCE GEORGE FLOYD'S MURDER?

We've experienced a significant shift in the workplace over the past several years with the rise of racist activities, social injustice and acts of violence. Employees want to work for companies with strong values and a desire to make the world a kinder, better place.

We deeply value their perspectives and incorporate their feedback into our organizational strategy. We host listening sessions with associates to discuss difficult topics, understand their concerns and co-create solutions. Together, we're sharpening the point on who we are and what we stand for as a company.

We've also seen a shift in talent acquisition. Candidates carefully vet companies in the same way companies carefully vet candidates. Organizations must have a value proposition that appeals to everyone. It's no longer enough to offer competitive compensation and development opportunities. Companies must demonstrate a strong commitment to building a diverse, equitable and inclusive culture; assisting communities in need; and providing sustainable solutions for the environment.

WHAT ADVICE WOULD YOU GIVE TO A RISING HR LEADER?

One of the best pieces of advice I ever received was to create a personal board of directors. I encourage everyone to build a network of trusted individuals with different perspectives and experiences than their own. Look to these individuals to challenge assumptions, give advice and provide honest feedback. I regularly turn to my personal board of directors when I have an important decision to make.

Finally, I would tell rising leaders to show up as their authentic self—don't wear a mask. My mother always said, "Truth spans the test of time; lies are soon exposed." I've lived by this motto my entire life because people never forget the truth, but they always forget a lie. Be honest, be authentic and show you care deeply for others.



The Takeaway: A Discussion Guide on DE&I Progress

If you were asked to lead a conversation about driving progress around diversity, equity, inclusion and belonging in your organization, what would be the most impactful themes to explore to generate actionable insights? Here are the critical questions at the core of key articles in this issue:

Promises Kept: Anti-Racist Leadership

James White, former CEO of Jamba Juice, and entrepreneur Krista White

Pages 12-16

1. Does the CEO of your company fully own the responsibility for setting a clear tone of “anti-racist leadership?” Or is it delegated to others?
2. Do diversity reports across your workforce lump together “women and minorities” as one group, an approach that, as the authors say, “tends to erase women of color?”
3. Is your organization taking a “less is more” approach to show meaningful progress on a few key priorities?
4. What initiatives have you created for people to share their stories and have conversations about race to encourage empathy and compassion?
5. Do you track participation of lower-level managers and employees in career development programs?



‘Empathy is the cornerstone of anti-racism, which turns into compassion and then action. When we asked leaders whether empathy was a skill that could be developed, they told us that listening was key to building that muscle.’

- JAMES WHITE

Black Representation in the C-suite and Boards

Ron Williams, former CEO of Aetna

Pages 30-34

1. Does your company have a program to ensure that up-and-coming leaders from underrepresented groups are rotated through different assignments to expose them to new experiences, so that they can build track records of performance?
2. In your organization, do Black executives and leaders from other minority groups work primarily in staff functions? Are they being given similar opportunities as others to run a business unit or division?
3. Is the level of commitment in your organization to DE&I waning as new crises and disruptions have emerged? Do your actions still match the pledges made in 2020?
4. When recruiting and promoting leaders, to what degree is the person’s track record of building diverse teams a factor in whether they are given a senior role?



‘There are signs of progress, but there needs to be more progress with the Fortune 100, because those are the companies that shape the economy. They set the tone.’

- RON WILLIAMS

Leadership Training & Onboarding

Amber Guild, CEO of McCann New York advertising agency

Pages 36-39

1. Does the responsibility of advancing DE&I in your organization fall mostly on the shoulders of junior employees from underrepresented groups, or is it owned more broadly by the entire leadership team?
2. What does Amber’s phrase—“leading through the lens of inclusion”—mean within your organization?
3. Does your company have a foundational development program for the pillars of good management, including goal-setting and providing candid and constructive feedback?
4. Do your employee engagement surveys include getting a clear picture of whether every employee is getting the feedback they need to improve?
5. Does your onboarding program include advice on how new employees can succeed within the culture?



‘My challenge for everyone in a leadership position is to start modeling and trying different approaches. Let’s pave the way for this next extraordinary generation to lead in new and powerful ways.’

- AMBER GUILD

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The SHRM Foundation elevates and empowers HR as a social force through our innovative solutions to workplace inclusion challenges and programming and scholarships designed to inspire and empower the next generation of HR leaders. We are focused on leading transformational change in support of workplace mental health and wellness and preparing workers for today's and tomorrow's workplaces through skilling initiatives.



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