

Research Reveals Four Lessons About Diversity and Inclusion

By Kevin Oakes

2009



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The Institute for Corporate Productivity (i4cp), asked more than 200 companies about their focus on diversity and inclusion. The result: A majority of those companies lack any kind of focus on diversity and inclusion.

With talent management all the rage today, it would be natural to assume companies recognize that diversity and inclusion have a direct impact on critical talent issues. In fact, previous research by i4cp identified the ability to engage a diverse workforce and create an environment in which diversity is accepted and welcomed is essential to attract and keep top talent now and in the future. Yet, most companies are doing little to proactively create this.

To find out what is happening with diversity, i4cp asked companies to respond to a few core questions:

What infrastructure is in place for diversity and inclusion strategy and efforts in your organization?

Does your organization have a chief diversity officer? If so, to whom does the officer report? How are leaders held accountable for driving diversity?

What are the roles of diversity "teams" in your organization, and what practices do you use to integrate diversity and inclusion?

Does your organization have a global diversity strategy, and if so, what are its key elements?

The survey, titled "Taking the Pulse: Diversity and Inclusion," led to four key lessons about diversity and inclusion.

Lesson 1: Most companies do not have a robust "diversity infrastructure." And size does matter.

Larger organizations are more likely to have an infrastructure in place to support diversity initiatives. Infrastructure in this instance means training programs, diversity councils, affinity groups and diversity consultants.

The first big finding was the lack of focus companies have on providing diversity training. More than half of the companies surveyed simply don't do it. However, as companies increase in size, so does the likelihood they offer diversity training. Seventy-five percent of organizations with more than 10,000 employees offer some type of training.

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Size also mattered when it came to sponsoring diversity councils and affinity groups. Just 34 percent of all companies said they have diversity councils in place to provide feedback on issues such as race, gender and sexual orientation, though more than two-thirds of larger companies said they have this today. This was the same for affinity groups: Less than a quarter (23 percent) of all companies have affinity groups in place to support minorities, but 61 percent of large organizations do.

Lesson 2: Few companies have a head of diversity.

While the title chief diversity officer has grown in popularity during the past few years, today, a full 68 percent of the companies surveyed do not have a dedicated head of diversity. The smaller the company, the less likely it has this position. Ninety-five percent of organizations with fewer than 1,000 employees don't have a chief diversity officer, compared to 63 percent of employers of more than 10,000 workers.

Reporting relationships were somewhat enlightening. When a chief diversity officer is in place, that individual usually reports to the head of human resources (68 percent). However, almost a quarter of respondents (23 percent) said the chief diversity officer reports to the CEO. That kind of visibility can make diversity a priority in an organization.

The diversity buck hardly stops at the CEO's desk. Just 31 percent of companies overall said their CEOs are subject to annual diversity reviews, and only 23 percent of companies overall report that diversity-related results are tied to compensation. Almost 20 percent of companies admit their leaders are simply not held accountable for driving diversity.

Lesson 3: To the degree they exist, organizational diversity teams focus on strategy and training.

When diversity teams are in place, they can have a significant impact on how effective diversity and inclusion efforts are in an organization. The first task of a diversity team often is to develop the organization's diversity strategy. Of the surveyed companies that have diversity teams, 39 percent said the teams' primary role is to develop diversity strategies.

When asked which strategies these teams use to integrate diversity and inclusion initiatives, 49 percent said they put education programs in place. Nearly a third (32

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percent) implement corporate diversity councils. More than a quarter focus on the top: 27 percent use annual CEO diversity reviews to improve efforts in their organizations.

As before, the larger the company is, the more widespread the use of training on diversity. Seventy-three percent of large companies report using education programs to support diversity initiatives, compared with 44 percent in companies with fewer than 1,000 employees.

Lesson 4: The majority of companies do not have a global diversity strategy.

Finally, there is a lack of focus on diversity at most companies - 65 percent of companies do not have a worldwide diversity strategy. However, of companies that do, program support revolves around several core areas such as periodic reviews, training initiatives and communication.

So what can companies do to improve their diversity initiatives? Mary Key, i4cp's head of leadership, offers six steps:

1. Conduct an in-house survey to determine the level of knowledge about diversity issues in the organization.
2. Engage and enlist the help of top leadership.
3. Develop a system of accountability tied to bonus compensation.
4. Integrate diversity strategies with talent management objectives.
5. Create channels to develop diverse talent and move that talent into leadership positions.
6. Keep in mind you want to find and develop the best talent available, not fill quotas.

Successful diversity programs take focus, accountability and teamwork. Once companies recognize the important role diversity and inclusion play in their talent management efforts, these elements should kick into full gear.

Reprinted from Diversity-Executive magazine

Kevin Oakes is the CEO of the Institute for Corporate Productivity (i4cp).