Sustainable Strategies for Diversity & Inclusion

*h.h.*easter
consulting

Introduction

Terri Hartwell Easter, Principal

Focus: Management Strategy, HR Related Programs, Executive Coaching/Training, Executive Search

- 25 years experience in Diversity & Inclusion programming in corporate, banking and consulting
- PhD Candidate, Fielding Graduate University, Human and Organizational Systems
- First African-American COO – AmLaw 100 law firm
- Presidential Intern, The White House, President's Minority Telecommunication Development Program

Association of Legal Administrators
Capital Chapter
March 31, 2016

- Business Case

- Social Trends

- Strategy Overview

- Q&A

"*Diversity is being invited to the party; Inclusion is being asked to dance.*"

Verna Myers, Moving Diversity Forward, 2011

"*Diversity is being invited to the party; Inclusion is being asked to dance.*"
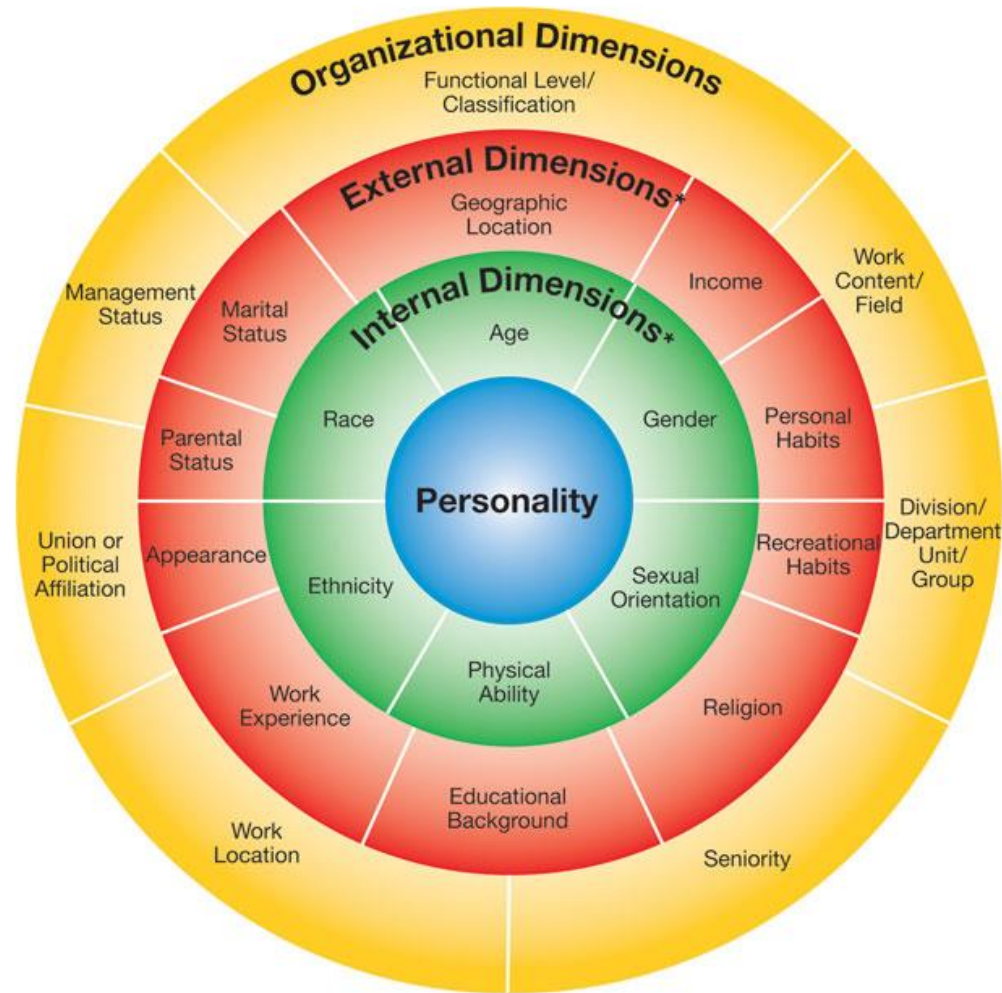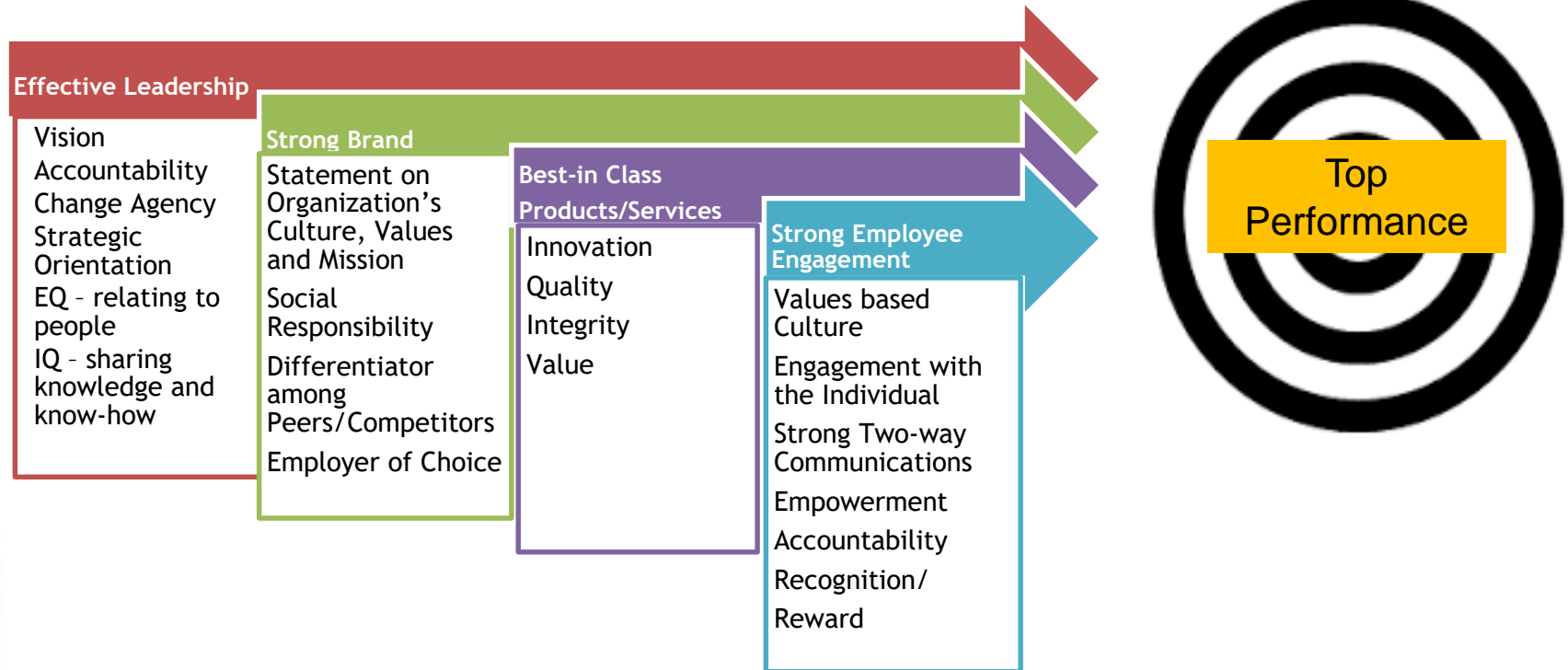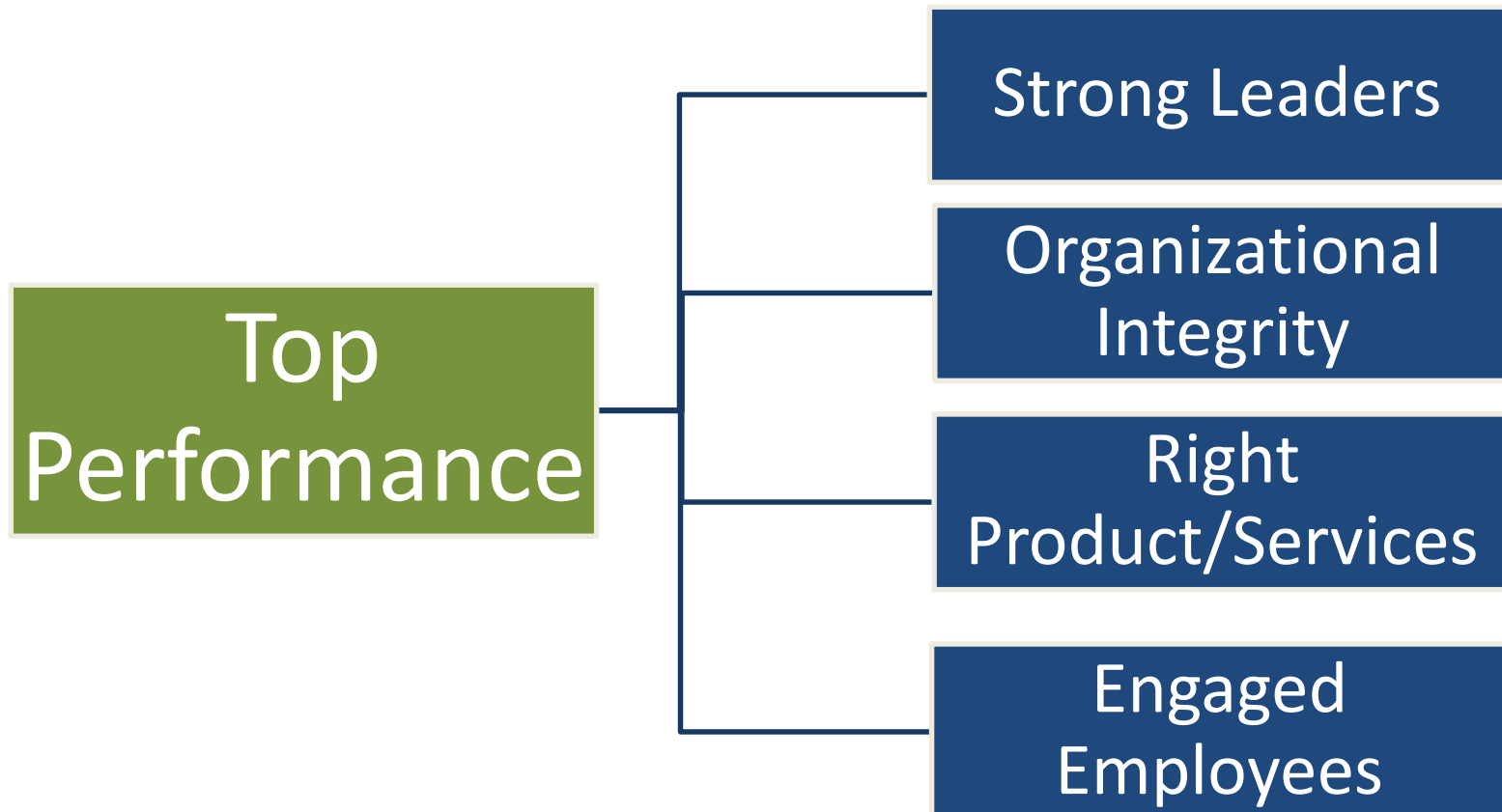
Verna Myers, Moving Diversity Forward, 2011

Diversity Prism

Business Case

Effective Leadership

Vision
Accountability
Change Agency
Strategic
Orientation
EQ – relating to
people
IQ – sharing
knowledge and
know-how

Strong Brand

Statement on
Organization's
Culture, Values
and Mission

Social
Responsibility

Differentiator
among
Peers/Competitors

Employer of Choice

**Best-in Class
Products/Services**

Innovation
Quality
Integrity
Value

**Strong Employee
Engagement**

Values based
Culture

Engagement with
the Individual

Strong Two-way
Communications

Empowerment

Accountability

Recognition/
Reward

**Top
Performance**

```
                          ┌─── Strong Leaders
                          │
                          ├─── Organizational
  Top                     │    Integrity
  Performance ────────────┤
                          ├─── Right
                          │    Product/Services
                          │
                          └─── Engaged
                               Employees
```

Diversity Intersection

Top Performance

- Opportunity for Diverse Leaders
- Integrity – a "must have" for Traditionalist & Gen Y
- Gen Y will lead innovation
- Strong Leaders and Managers drive Employee Engagement

Gender diverse companies outperform financially by 15% above the median

Ethnically diverse companies outperform financially by 35% above the median
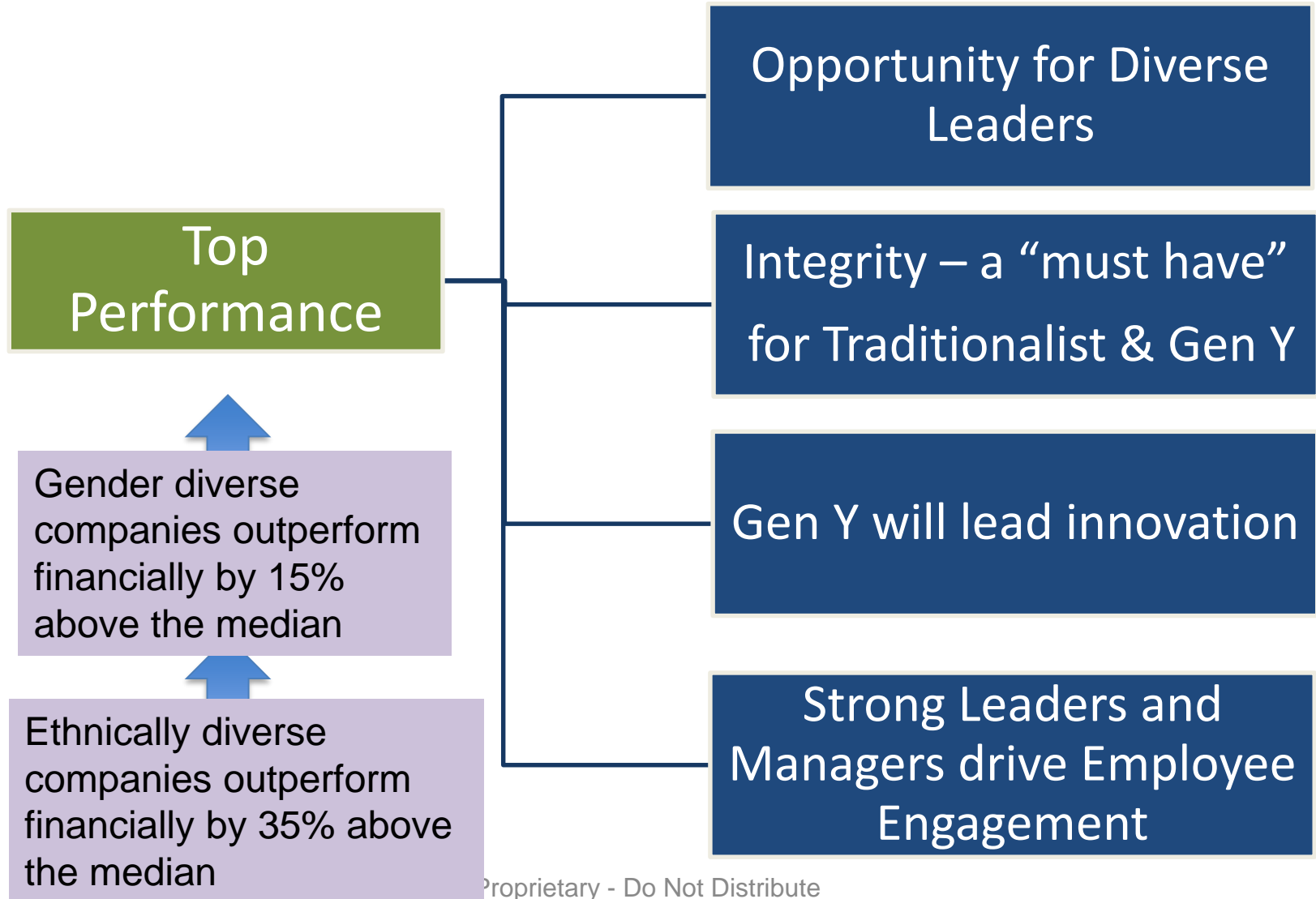
Social Trends

Impact Technology Innovation

- Virtual Workplace
- Distant Workforce
- More choices around how to make a living

Technology Innovation

Social Norms

Demographic Changes

Engagement

- Two-way Channels at work
- Family
- Social Media
- Making a Difference vs. Making Money
- Social Justice (D&I)

Different Demographics
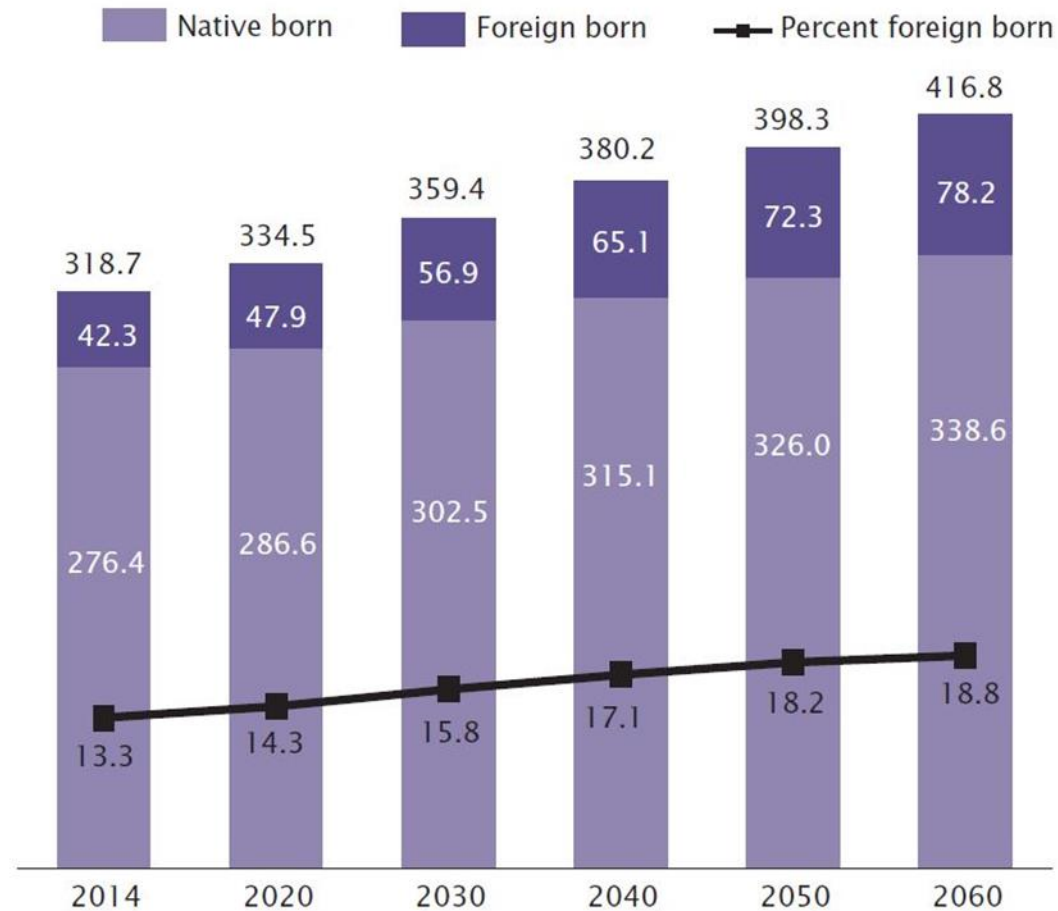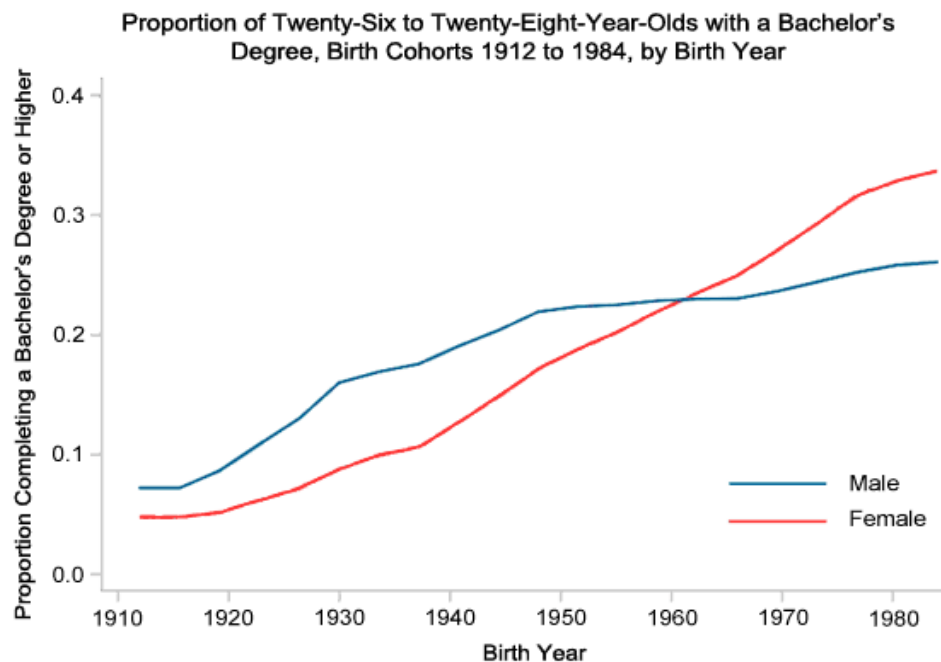
- US Population becoming more diverse:
- 4 Generations sharing the workplace
- 75% Workforce Millennials by 2025
- Workforce Shrinking
- Plurality in U.S. Population by 2024
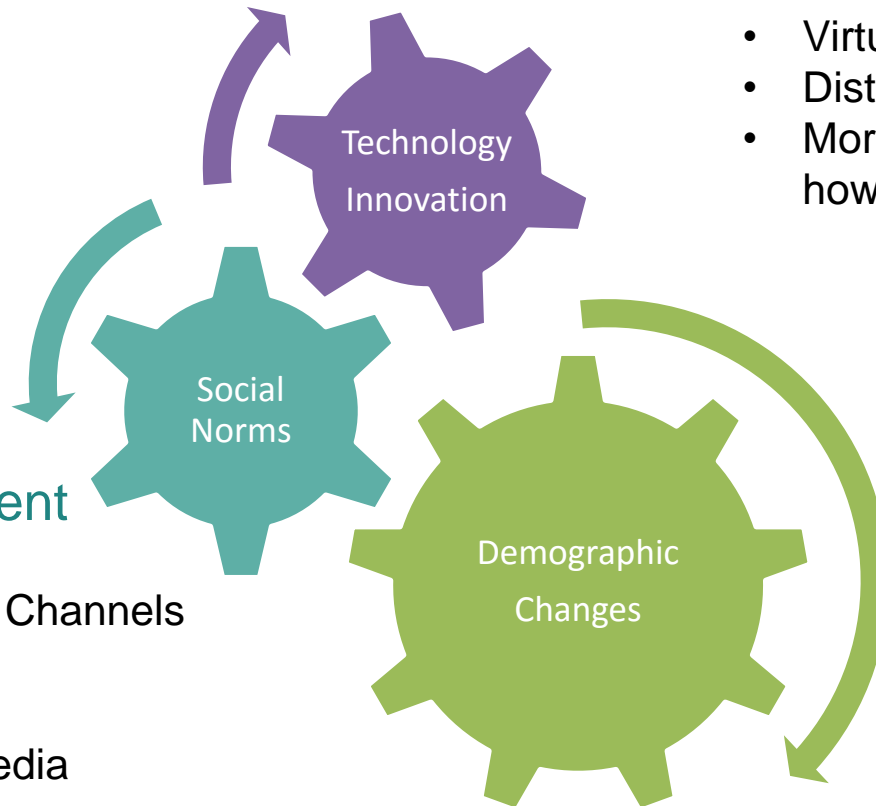
U.S. Population

Figure 1.
U.S. Population by Nativity: 2014 to 2060
(Population in millions)

Native born | Foreign born | Percent foreign born

Source: U.S. Census Bureau, 2014 National Projections.

Bachelors Degrees

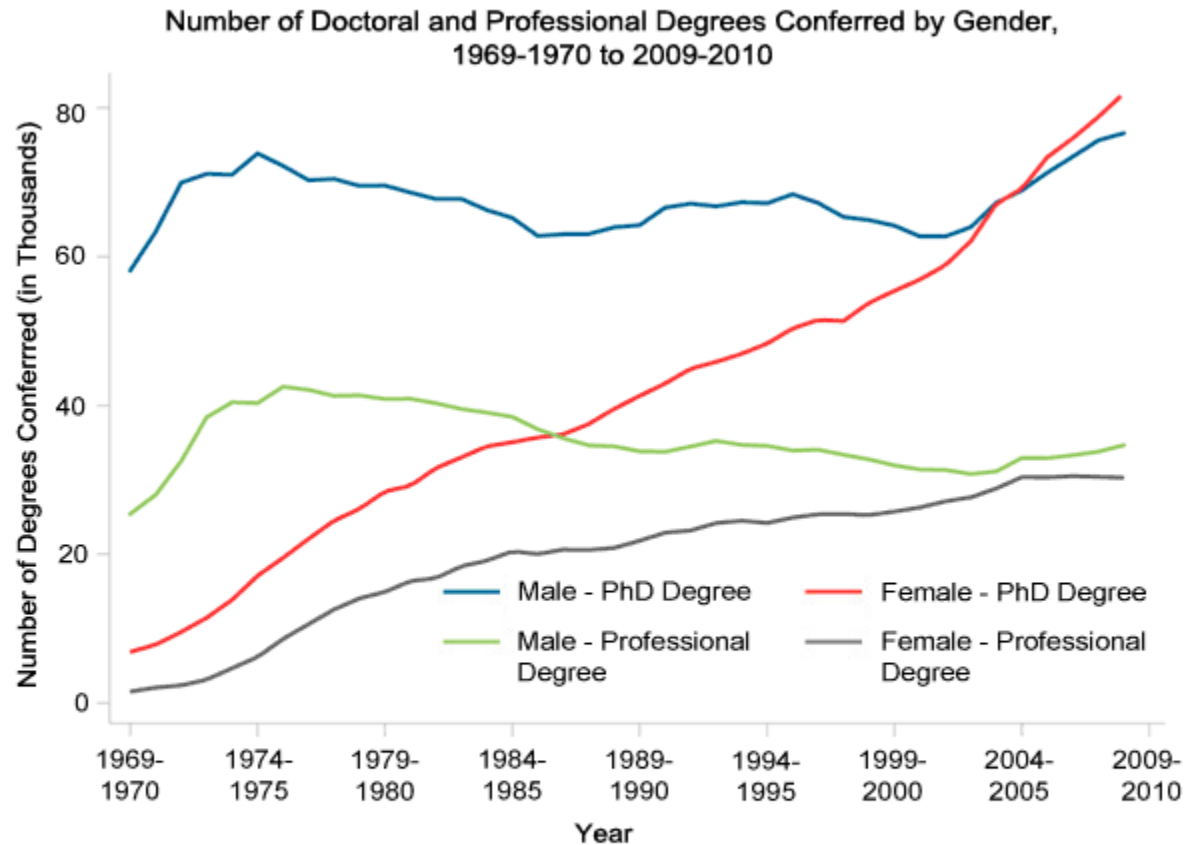Proportion of Twenty-Six to Twenty-Eight-Year-Olds with a Bachelor's Degree, Birth Cohorts 1912 to 1984, by Birth Year

Source: Author's compilation based on IPUMS census data, 1940 to 2000 (Ruggles et al. 2010); American Community Survey (U.S. Census Bureau 2010).

Professional Degrees

Number of Doctoral and Professional Degrees Conferred by Gender, 1969-1970 to 2009-2010

Source: Authors' compilation based on Snyder and Dillow (2012).

Sustainable Strategies for Building Workplace Diversity & Inclusion
Leadership & Cultural Readiness
Strategic Planning
Talent Management
Employee Engagement
Sponsorship
Qualitative & Quantitative Measurement

D& I Leadership Competency

STRATEGY

Foundational Strategy : Diversity Leadership Competency

Top Leadership Competencies

Intelligence
Emotional Intelligence
Self-awareness
Confidence
Innovative
Analytical
Global (Diverse) Perspective
Change Management
Vision - Strategic planning
Collaboration
Results focus
Adaptability
Authenticity
Charismatic
Delegation
Listening
Learning
Authoritative
Mission driven
Knowledge sharing

Diversity and Inclusion Competency?

How is it Demonstrated Today in Your Organization?
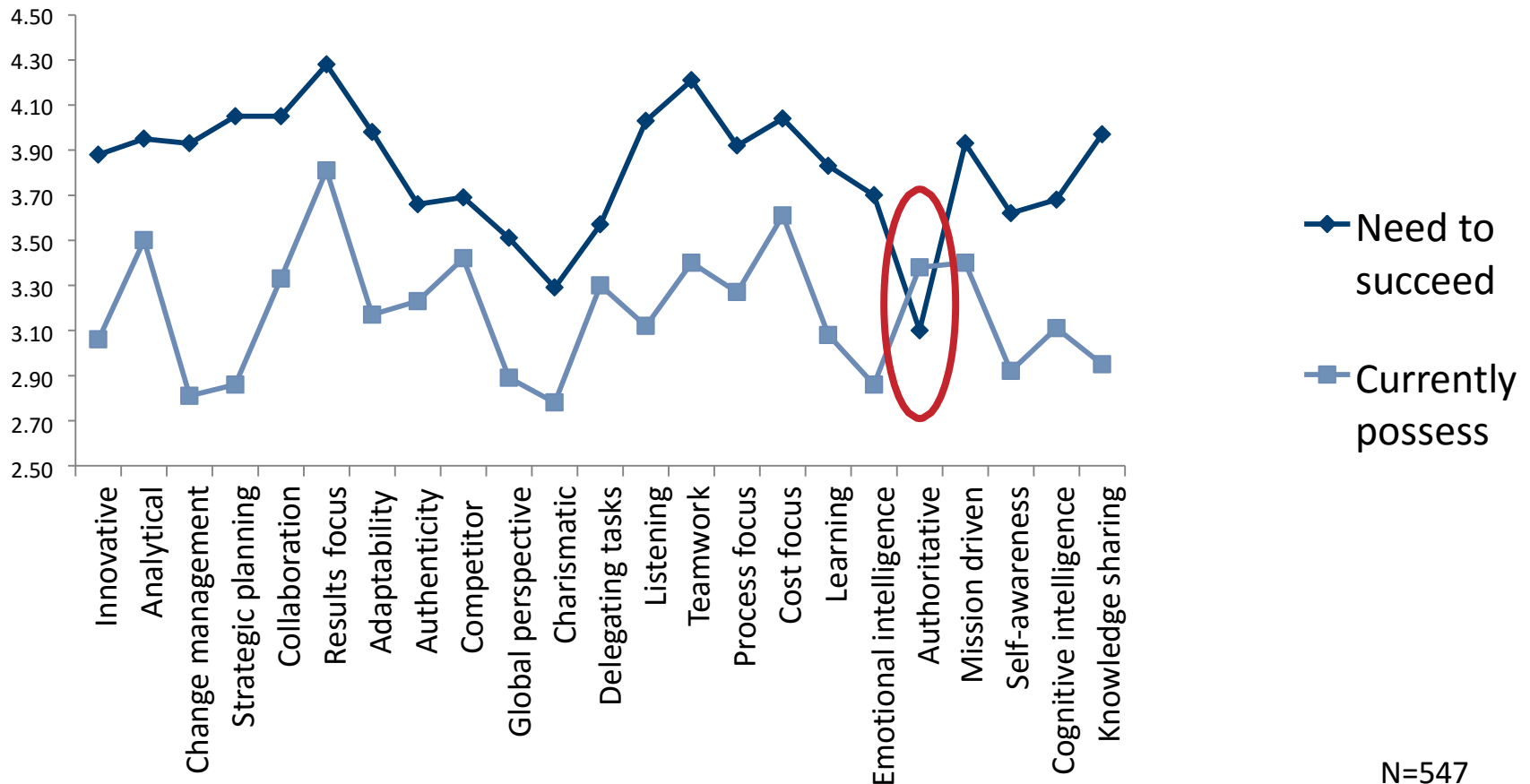
How **can** it be Demonstrated in Your Organization?

THE LEADERSHIP DEFICIT

Human Capital Management
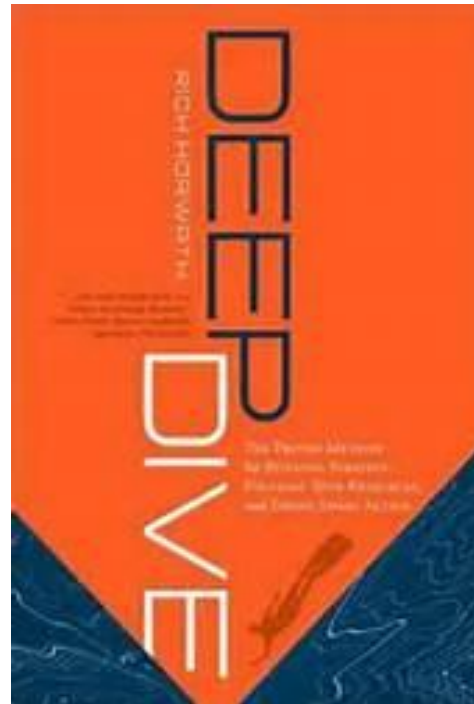
APQC

An Excess of Authoritativeness

N=547

Leadership Requirements for Diversity & Inclusion

- Change Management related to Cultural Barriers

- "Walking the Talk"

- Holding Others Accountable for Qualitative and Quantitative Results

- Open to New Strategies for Engaging Diverse Talent

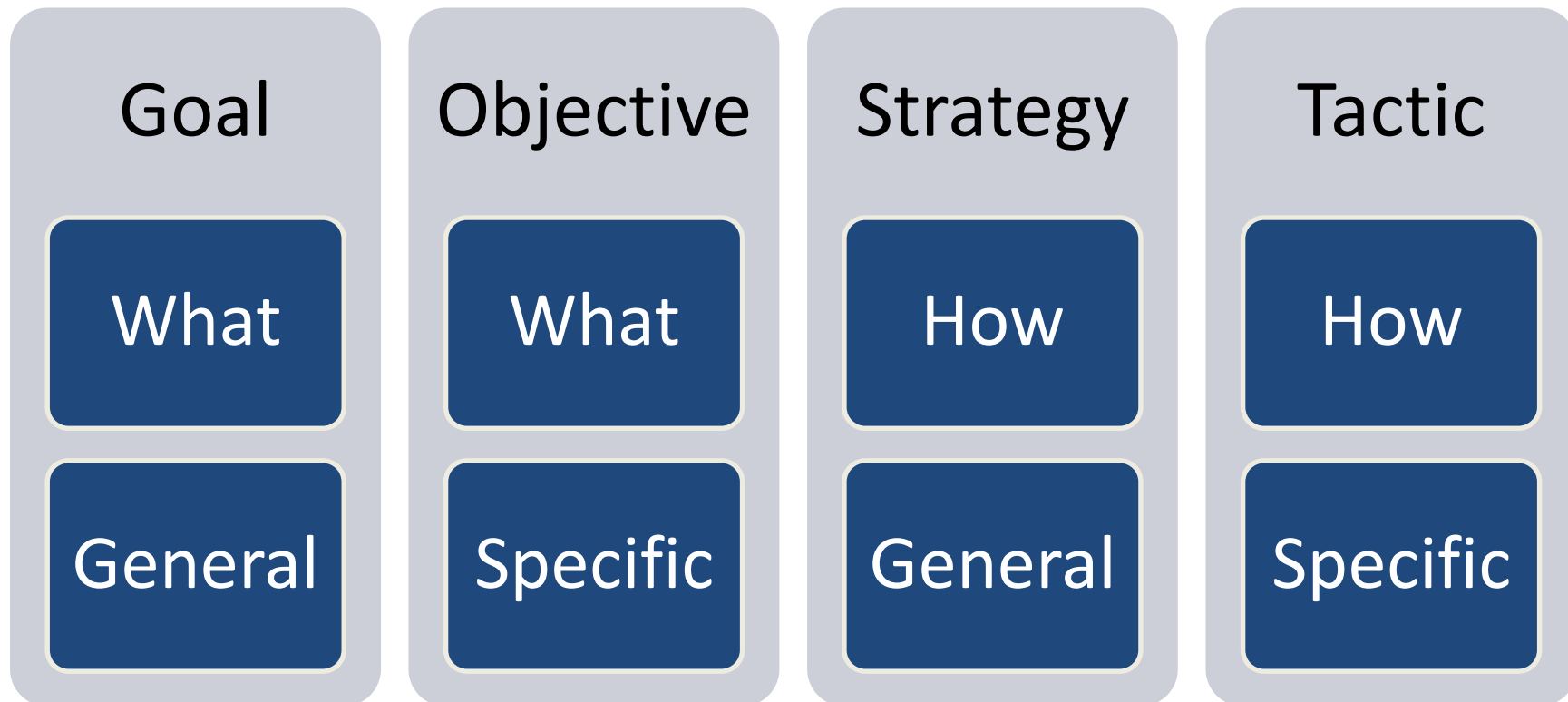- Expect Self and Others to embrace biases and change ~~hearts~~, ~~thinking~~ **BEHAVIOR**

D& I Readiness
STRATEGY

Strategy Approach: Deep Dive Model

- Strategic Planning
- Analyze your "What is" Case
  - Define & Agree on Business Drivers
  - Link Business Drivers, Firm Strategy & Diversity Aspirations
  - Create Diversity SWOT
  - Use other Analysis Tools
- Goal Setting
  - Align Diversity and Inclusion Goals to Business Drivers & Strategies
  - Realism Check against Organizational Readiness for Inclusion
  - Realism Check against Diverse Talent Pipelines
- Objectives
  - 1, 3 and 5 Years
  - Align with Budget and other Investments

- Strategies & Tactics
  - Aligned to 1, 3 and 5 Years Goals
  - Set against Specific Actions

D& I Talent Management
STRATEGY

Talent Management
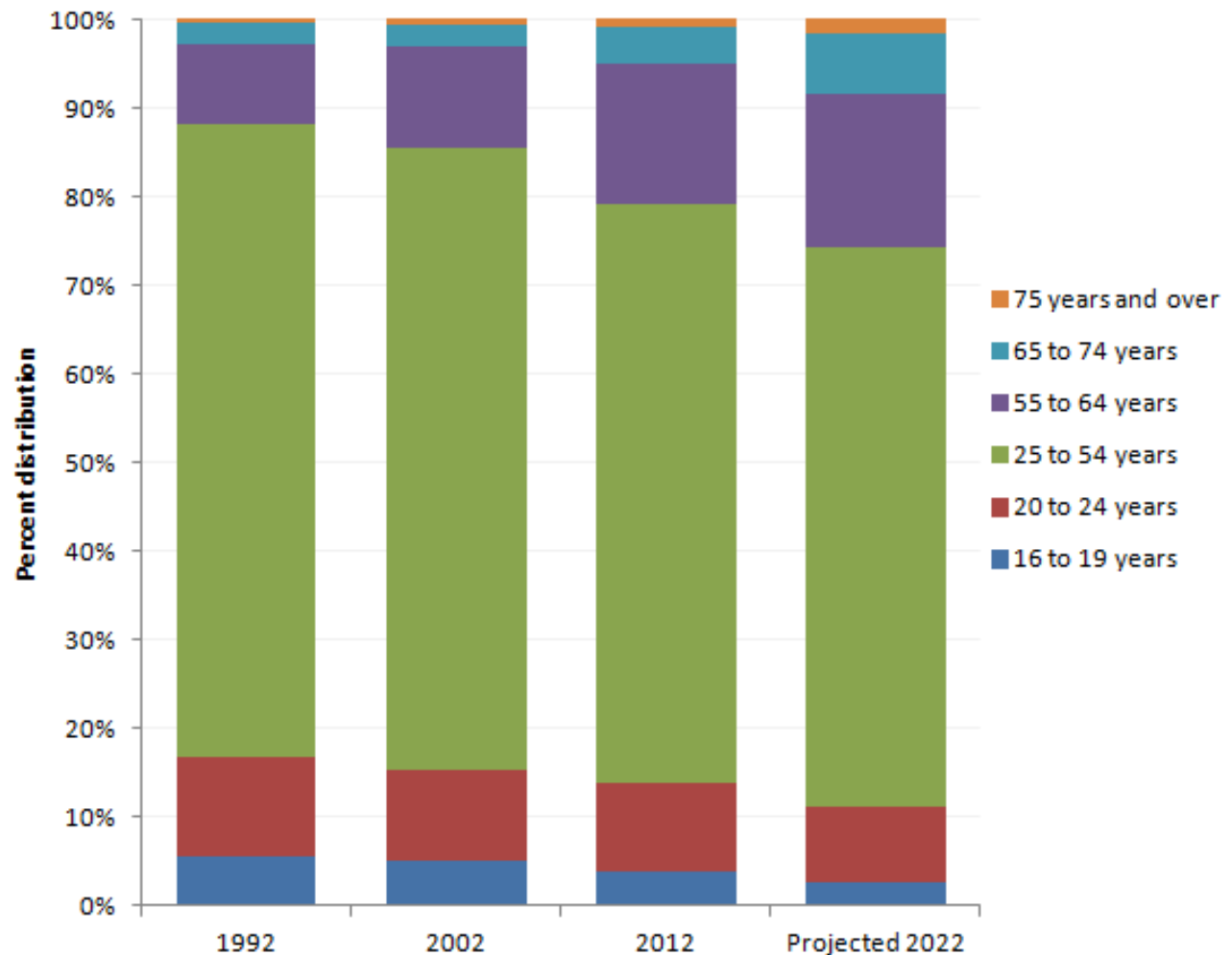

Effective Leadership

Org Readiness

Strong Engagement (Inclusion)
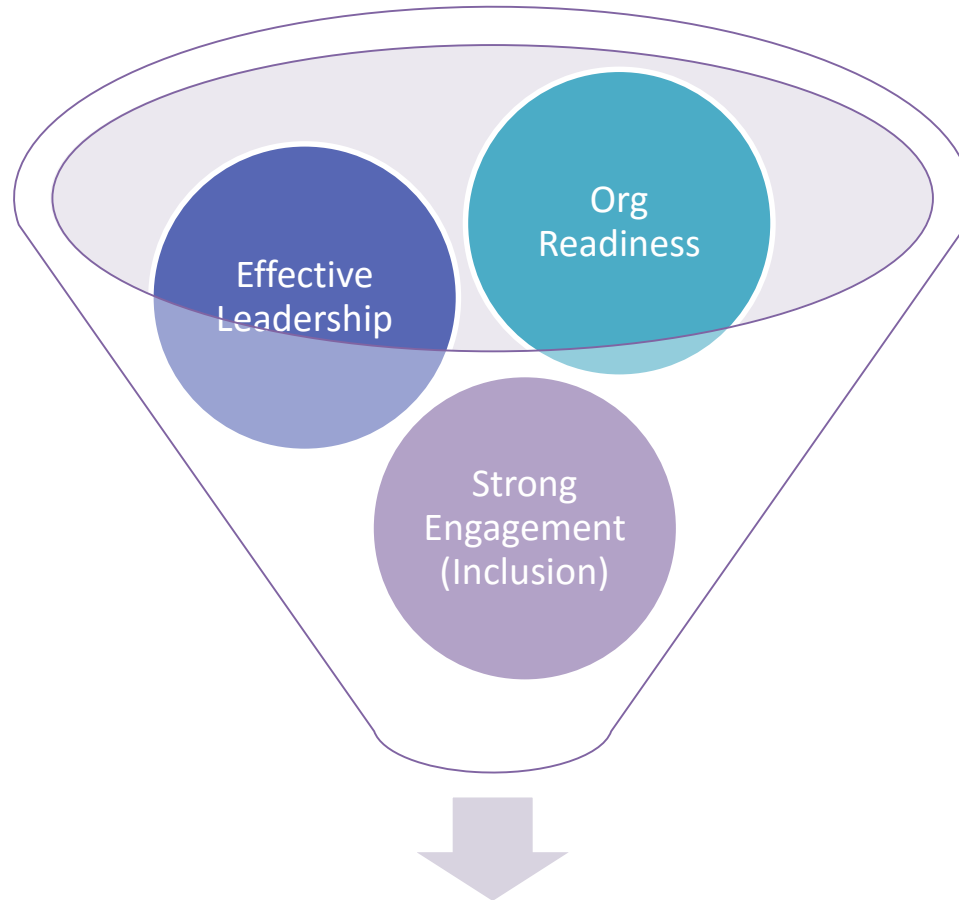
Diverse Talent Retention

Workforce Distribution

Percent distribution of civilian labor force, by age, 1992, 2002, 2012, and projected 2022

Source: U.S. Bureau of Labor Statistics.

27

Talent Management

Gallup Data

- 2013 Workforce Composition:

  Baby Boomers (31%) + Traditionalist (4%)

- 49% plan to work until they are 66 or older and 1 in 10 don't plan to retire.

- Engagement:

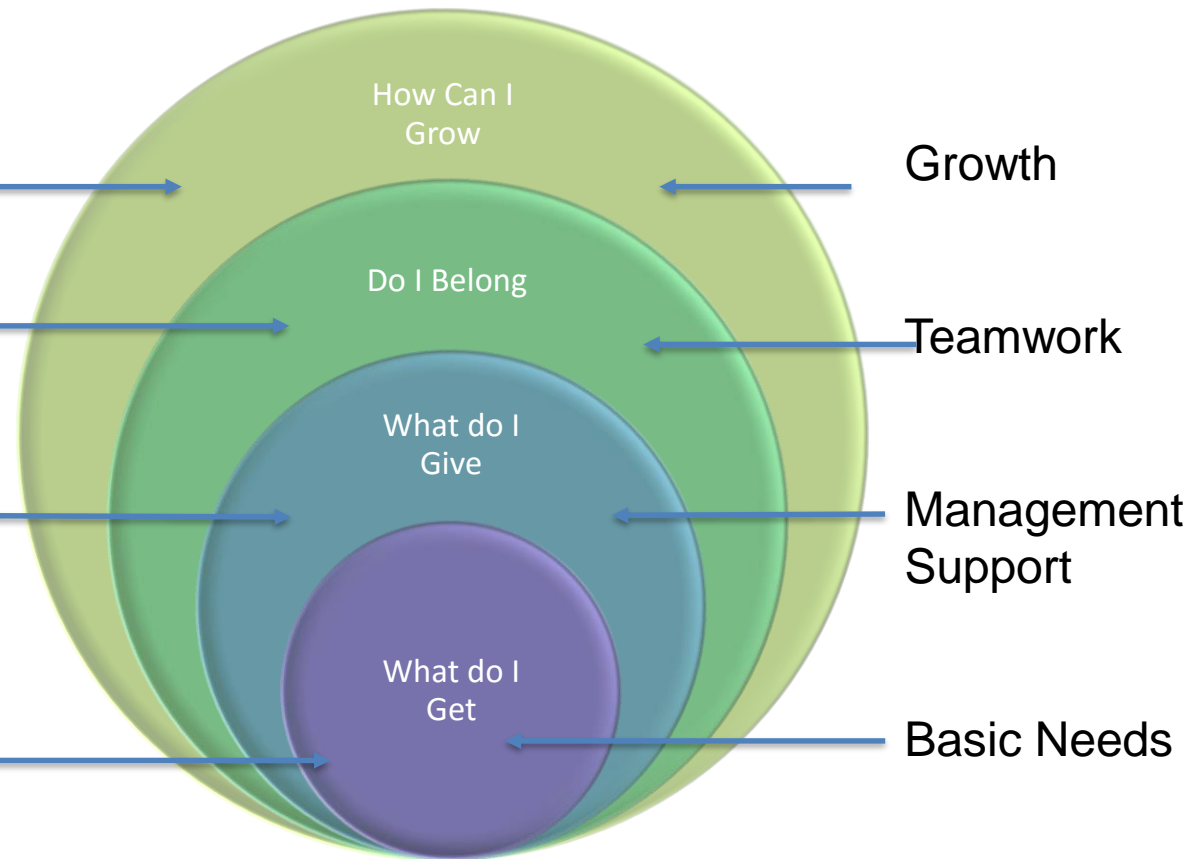| Gallup – Employee Engagement, by Generation Jan 2- Dec 28, 2014				
Engagement	Millennials (1980- 1996	Generation X (1965 – 1979)	Baby Boomers (1946-1964)	Traditionalist (1900 – 1945)
Engaged	29%	32%	33%	42%
Not Engaged	55%	50%	49%	42%
Actively Disengaged	16%	17%	19%	16%

GALLUP

Generational Diversity

Challenges	
Boomers	Millennials
Structure, Rules & Systems	Low Structure, Pragmatic, and Virtual Systems
Work/Life Balance	Work/Life Blending
Personal Communications	(+) (-) Personal vs. Electronic Communications
Market Competitiveness	Social and Community Contribution
Economics, Drive to Win	Personal Satisfaction and Expect to Win

Engagement
STRATEGY

Employee Engagement

Gallup 12

- **Opportunities to learn and grow**
- **Progress in the last 6 months**

- **I have a best friend at work**
- **Co-workers committed to quality**
- **Mission/Purpose of the Company**
- **At work, my opinions seem to count**

- **Someone at work encourages my development**
- **Supervisor/Someone at work cares**
- **Recognition last seven days**
- **Do what I do best every day**

- **I have the materials and equipment I need**
- **I know what is expected of me at work**

How Can I Grow — Growth

Do I Belong — Teamwork

What do I Give — Management Support

What do I Get — Basic Needs

Engagement Model

Shared Investment:
Early Stage Engagement

The employer must lean toward the employee to offer clear guidance and set expectations. Employee invests into the job, is open-minded and working hard to understand.

Shared Responsibility:
Mid-Career Engagement

Employer is responsible for work assignments, setting expectations, demonstrate trust. Employee is responsible for working hard, getting work done. Employer and employee are meeting each other.

Shared Accountability:
Senior Level Engagement

Employer is accountable for setting targets and employee is accountable for meeting and exceeding targets. Employee performance should exceed expectations increasing value.

Sponsorship

Thoughts on Sponsorship:
- All employees need a sponsor; diverse employees *really* need a sponsor
- Don't hire or promote anyone that you feel that you cannot sponsor

Sponsorship means:

- Looking for opportunities that will help the employee develop professionally
- Looking for opportunities that will help the employee build a strong reputation
- Lending your credibility to the employee so that he/she can have a shot at special opportunities
- When there are problems, get involved to ensure the adjudication process is fair

Sponsorship is about
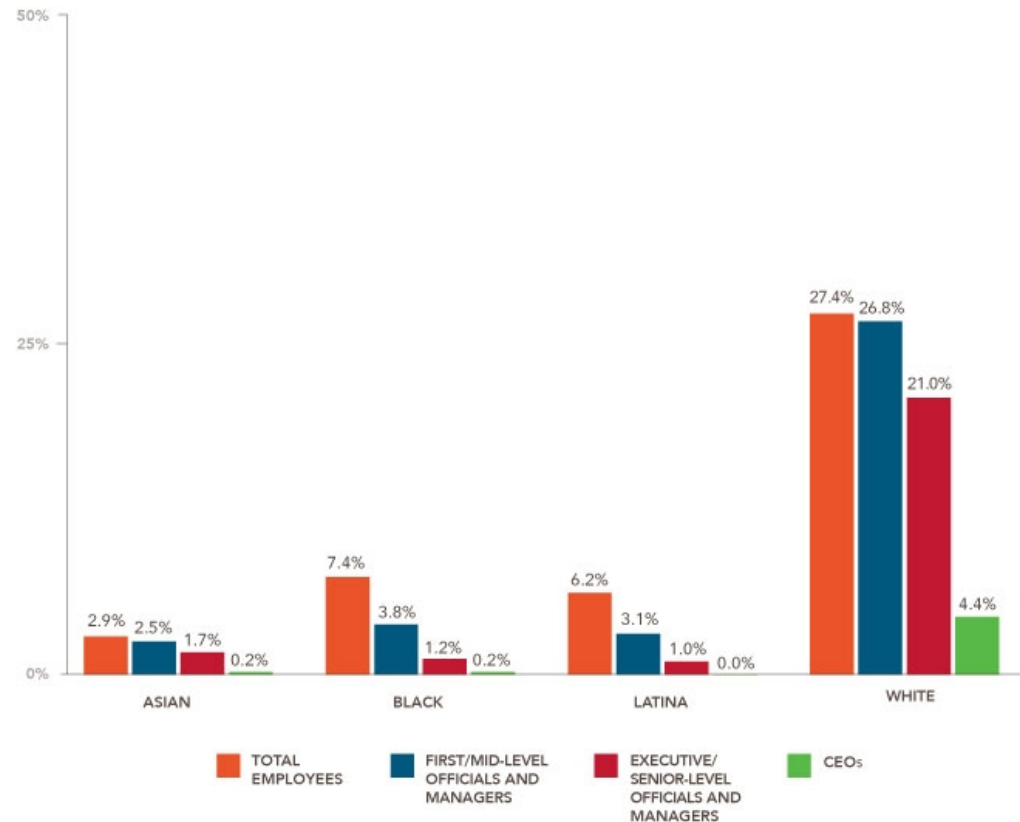"Sticking Your Neck Out"

Effective Tactics

STRATEGY

Measurement

Diversity Representation Among US Professions				
Profession	**Women Professionals**	**Change 2003 - 2012**	**Diverse Professionals**	**Change 2003 - 2012**
CEOs	27.4%	16.6%	12.6%	31.2%
Management Professionals	51.5%	2.00%	24%	21.8%
Business/ Finance Professionals	55.8%	.7%	25.2%	19.4%
Lawyers	31.1%	12.7%	13%	41.3%
Physicians	34.3%	14.7%	30.5%	18.2%
Computer/ Mathematical Professionals	25.6%	(11.1%)	31%	17%
Mechanical Engineers	4.5%	(18.25%)	23.5%	65.5%

U.S. Census

Qualitative Data

WOMEN IN S&P 500 COMPANIES BY RACE/ETHNICITY

Legend:
- TOTAL EMPLOYEES
- FIRST/MID-LEVEL OFFICIALS AND MANAGERS
- EXECUTIVE/SENIOR-LEVEL OFFICIALS AND MANAGERS
- CEOs

ASIAN: 2.9%, 2.5%, 1.7%, 0.2%
BLACK: 7.4%, 3.8%, 1.2%, 0.2%
LATINA: 6.2%, 3.1%, 1.0%, 0.0%
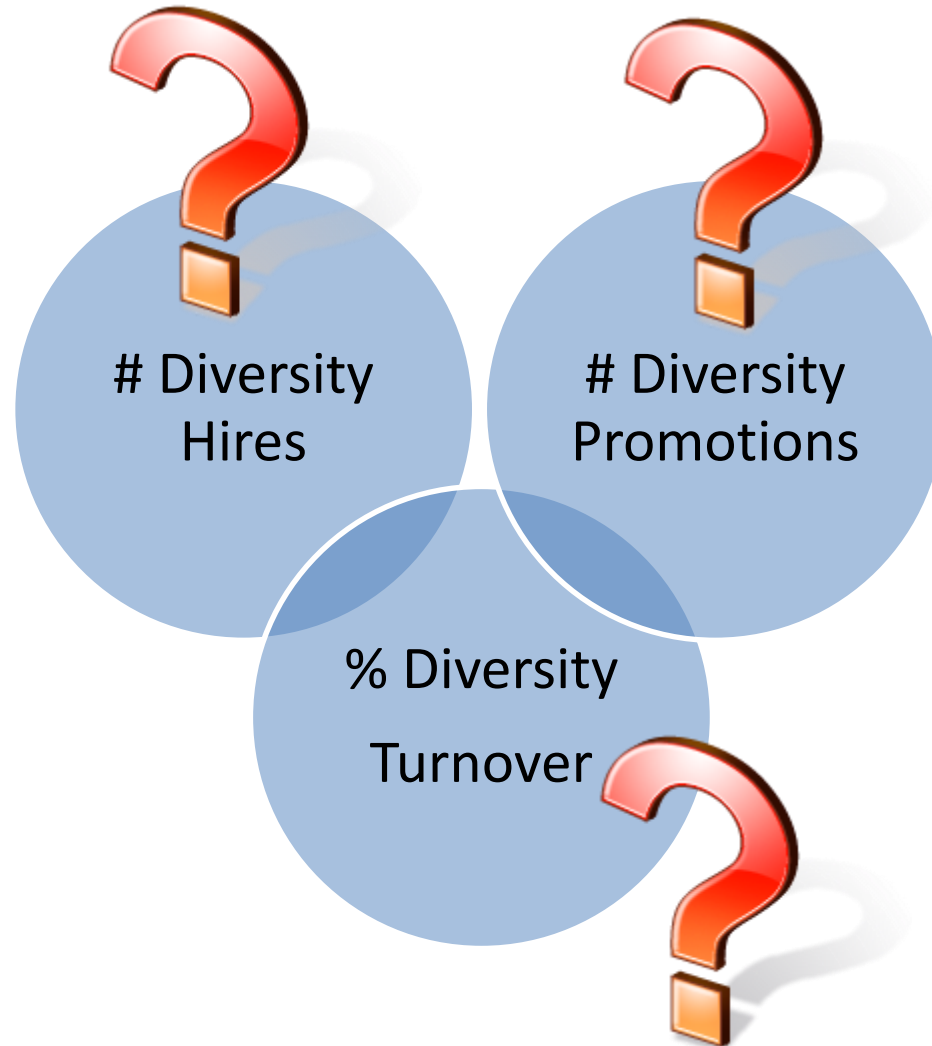**WHITE:** 27.4%, 26.8%, 21.0%, 4.4%

Sources

Catalyst, unpublished data (2015).

U.S. Equal Employment Opportunity Commission (EEOC), "2013 EEO-1 Survey Data."

Measurements

Quantitative Measurements Alone:

- Do not fully tell the story

  and

  - Do not necessarily track to the best outcomes

Diversity Hires

Diversity Promotions

% Diversity Turnover

Measurement

Qualitative Measurements

- Provide context and texture to story telling

  and

  - Track to desired *outcomes*

Are we satisfied with the composition of our high potential candidate pool/high performers, important committees, promotions to management, and promotions to executive leadership.

Are we satisfied with the composition of our Executive Leadership team?

Management team?

Large Case Teams?

All Employees?

Does our commitment to diversity **speak** in the way we:

Team

Make Decisions

Solve Problems

Engage Customers

Serve our Community

Play/Socialize

Addressing the Leadership Deficit

STRATEGIC MODEL

Strategic Model

Sustainable Strategies for Managing D&I
Professional Development – Day 1 Leaders "Walk the Talk" Continuous Process for Developing New Leaders
(! You Get What you Measure!) Competency-based Performance Management & Evaluation • *Real Performance by Stakeholders* • *Diverse Professional Performance Management*
Measure and Reward Qualitative Outcomes: Strong Engagement Sponsorship
Measure and Reward Qualitative & Quantitative Outcomes Business Results

Questions & Comments

About T.H. Easter Consulting

- Innovative, informed approach to the toughest human resource management challenges
  - Highly competitive, highly regulated industries
  - Corporations, Professional Services, Non-Profits, & Governments
- What we believe:
  - People are the heart of every organization
  - More than just a pretty plan: we implement – we are former practitioners
- Five specialties allow us to design custom solutions for clients:
  - ✓ Human Capital Strategy (Diversity & Inclusion Solutions)
  - ✓ Executive Search   ✓ HR Business Process Improvement
  - ✓ Executive Coaching ✓ Employee Engagement