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# Overcoming Diversity & Inclusion Challenges: Strategies for Success

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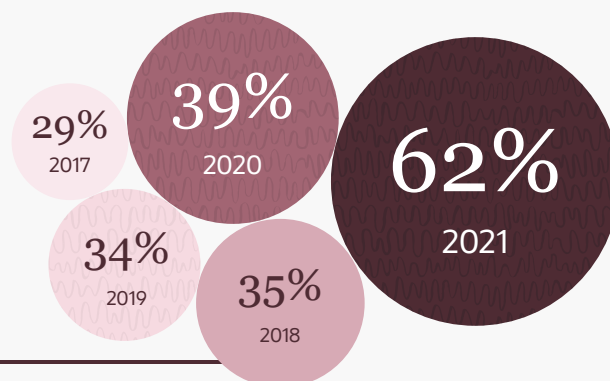
# Introduction

90% of organizations identify Diversity & Inclusion (D&I) as an important driver of business results. The events of 2020 significantly increased the importance of D&I across the globe, according to Brandon Hall Group research. More than 75% of organizations surveyed said the importance of D&I increased because of the social justice movement.<sup>1</sup>

That was not just talk: the research showed a huge jump in the number of organizations planning significant investment (in time and money) in D&I in 2021 compared to the previous four years.<sup>2</sup>

## Organizations planning moderate or heavy investment in Diversity & Inclusion

Percentage of organizations



Source: Brandon Hall Group HCM Outlook Studies, 2018–2021

While more than 80% of organizations see themselves as providing a diverse and inclusive environment for their employees, research shows there is a gap between perception and reality. Only about one-third of organizations rate themselves highly for critical D&I behaviors such as:<sup>3</sup>

- **Having a diverse talent pipeline**
- **Leadership that reflects the diversity of its customer base and workforce**
- **A workforce that reflects the diversity of the customer base or communities the organization serves**

Many of these organizations are just beginning to scale their approaches to D&I and face a steep learning curve. It's a journey that even the most diverse and inclusive businesses have endured. In "Addressing Diversity and Inclusion: Going Beyond the Benchmark," an anthology of thought leadership and leading practices, HR and diversity leaders from elite D&I organizations candidly share their challenges, successes, and lessons learned.

This report, developed by HR research and advisory firm Workplace Intelligence and sponsored by Oracle, mirrors Brandon Hall Group research data and offers valuable insights for organizations as they attempt to accelerate and scale their D&I journeys.

Armed with an awareness of the complexities of D&I, the leaders featured in the report address critical questions all organizations face,<sup>4</sup> including:

- **How do we create an inclusive environment for diverse talent?**
- **How do we create a culture of inclusion where all stakeholders have a voice?**
- **How do we evolve from having D&I programs to an environment of unconscious inclusion?**
- **How do we measure progress and build accountability for D&I across the enterprise?**

Here is a look at five critical strategies identified in the Brandon Hall Group research and how the companies featured in the report<sup>5</sup> address those challenges.

<sup>1</sup>2020 Brandon Hall Group study, Diversity & Inclusion, What's Changing?

<sup>2</sup>Brandon Hall Group HCM Outlook 2021 Study

<sup>3</sup>2020 Brandon Hall Group Diversity & Inclusion Benchmarking Study

<sup>4</sup>Diversity & Inclusion: Strategies for Success as Its Importance Grows, Brandon Hall Group

<sup>5</sup>Addressing Diversity and Inclusion: Going Beyond the Benchmark

# #1: Build a diverse talent pipeline

Brandon Hall Group's research shows that only 31% of organizations say they have a diverse talent pipeline; 30% say their efforts to improve the diversity of the leadership pipeline are effective.<sup>6</sup>

Schneider Electric, a global energy provider of automation digital solutions for efficiency and sustainability, is an example of a company that has had great success improving management diversity—including 38% women at the C-suite level—but know there is more work to do.

“The challenge we face is definitely frontline management, which is the first critical level where the percentage of women is much lower—it’s in the low 20% range,” said Tina Mylon, senior vice president, Talent and Diversity for Schneider. “We want to make sure we really start to change the mindset of making talent decisions for the future and planning the pipeline.”<sup>7</sup>

Other companies share Schneider’s challenge. Development of diverse talent for frontline leadership is the top priority for companies this year.<sup>8</sup> Here’s how different advancement strategies are used to build the diversity of the talent pipeline:

This data illustrates how organizations struggle to convert good intentions to meaningful actions. Not even half of organizations use any particular advancement strategy. To be truly inclusive, a company’s leaders must be representative of the workforce and the workforce must be representative of the community and customer base.

Less than 40% of organizations say that is the case now.<sup>9</sup>

<sup>6</sup> 2020 Brandon Hall Group Impact of Leadership Development Study

<sup>7</sup> Addressing Diversity and Inclusion: Going Beyond the Benchmark

<sup>8</sup> Brandon Hall Group HCM Outlook 2021 Study

<sup>9</sup> 2020 Brandon Hall Group Diversity & Inclusion Benchmarking Study

## Top advancement strategies for improving diversity of leadership pipeline

### Advancement strategy

### Percentage of organizations using

Support and mentorship programs targeted at diverse populations

46%

Networks focused exclusively on growing the skills and experiences of women, minorities, and other diverse groups

38%

Tuition assistance for external degree or certificate programs

34%

Role model campaigns/programs

21%

Job sharing

9%

Source: Brandon Hall Group's Diversity & Inclusion: What's Changing?

## #2: Align Diversity & Inclusion with business objectives

Organizations struggle to embed diversity and inclusion across the enterprise. It requires a strategic approach and takes time. Research found that most organizations struggle to implement strategies beyond declarations of intent and establishing governance if D&I is not part of the overall business strategy.<sup>10</sup>

### Strategic actions to drive Diversity & Inclusion

#### Organizational behaviors

#### Percentage of organizations responding

Publicly states that it takes decisive action against discrimination

82%

Has a council and/or employee resource group(s) that actively discuss issues of diversity and inclusion and recommend actions to improve

58%

Regularly reviews and changes policies and work practices to ensure they are inclusive of all diverse groups

47%

Publicly communicates information about its diversity goals

44%

Publishes a Diversity & Inclusion strategic plan

37%

Addresses pay transparency issues by gender and race/ethnicity

32%

Periodically informs employees about the level of diversity among the employees and leadership team

24%

Addresses retention/attrition percentages by race/ethnic groups and publishes comparisons to senior leadership, board of directors and all employees

18%

Source: Brandon Hall Group Diversity & Inclusion Benchmarking Study

Companies that have aligned their D&I initiatives with business needs over time are getting better results now. For example, General Motors has a long legacy of support for D&I. “A lot of it is because we want to be reflective of the customers we hope to sell to, so we have to make sure we have the cultural competency inside our own company to be able to connect with that customer,” said Global Chief Diversity Officer Ken Barrett.<sup>11</sup>

<sup>10</sup> 2020 Brandon Hall Group Diversity & Inclusion Benchmarking Study

<sup>11</sup> Addressing Diversity and Inclusion: Going Beyond the Benchmark



## #3: Realize the importance of top-level and shared leadership

Top-level leadership is critical for advances in D&I.<sup>12</sup> On average, organizations with high-level leadership focused primarily on D&I are 146% more likely to rate their D&I culture highly than organizations with lower-level D&I leaders with other duties.

### The impact of focused D&I leadership



Source: Brandon Hall Group Diversity and Inclusion Benchmarking Study

Marriott International, which last year was named the top company on DiversityInc.'s Top 50 Companies for Diversity list, takes D&I leadership a step further. It has board-level and C-suite leaders and leaders in other areas of the business, as Chief Global Human Resources Officer David Rodriguez explains:<sup>13</sup>

"... I could have also accepted the title of chief diversity officer. But I purposefully did not. Why? Because I did not want this being seen as, 'OK, David's got it for everybody else.' So, I have several chief diversity officers in the company. Our global commercial officer happens to be the chief diversity officer for all matters having to do with customers. Our global development officer is also a chief diversity officer as it relates to owners and franchisees. We have someone else who's the chief diversity officer for supplier diversity and so on."

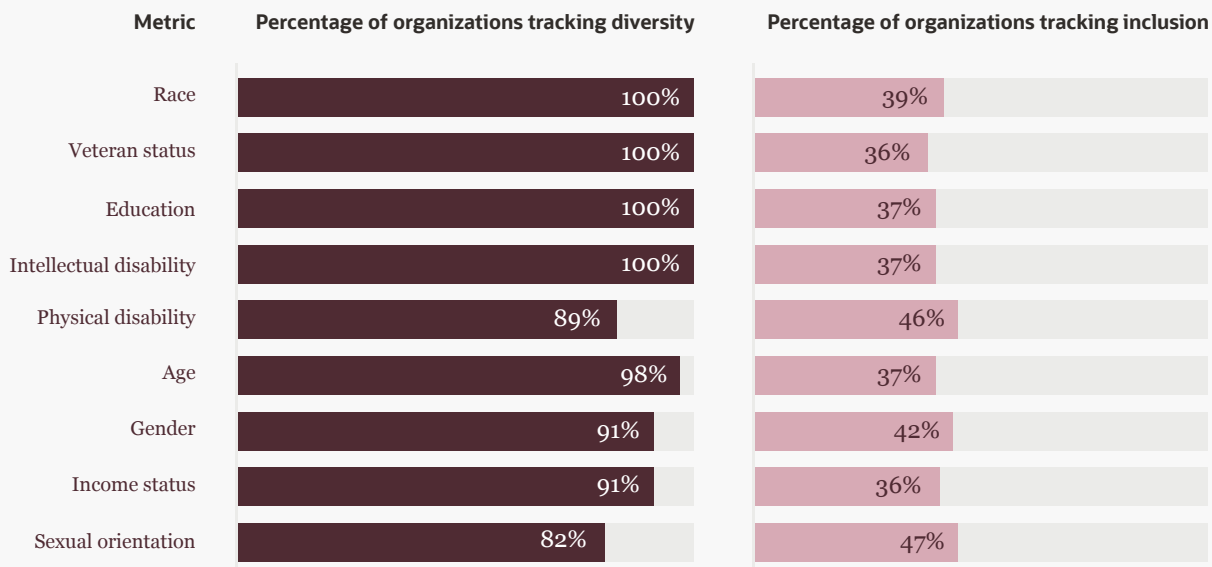
<sup>12</sup> 2020 Brandon Hall Group Diversity & Inclusion Benchmarking Study

<sup>13</sup> Addressing Diversity and Inclusion: Going Beyond the Benchmark

## #4: Measure and evaluate to evolve

All organizations want to make progress in their D&I efforts. Most struggle to collect data to understand what is working, what's not, and how to improve. While the great majority of organizations track diversity metrics, they struggle to measure the effectiveness of their inclusion efforts. This is a big problem because diversity has little value unless employees are treated equitably and feel a sense of belonging.

### Large disparities in tracking Diversity & Inclusion



Source: Brandon Hall Group Diversity & Inclusion Benchmarking Study

Understanding inclusion requires measurement, but 40% of employers are not analyzing it. Here are the inclusion metrics that leading organizations are using:<sup>14</sup>

- Employee sentiment
- Participation in employee resource groups
- Participation in various types of training
- Promotion rates
- Engagement scores
- Recognition
- Performance ratings
- Project team participation

<sup>14</sup> 2020 Brandon Hall Group Diversity & Inclusion Benchmarking Study



## #5: Communicate and connect for cultural change

Another key to success is connecting with people across your organization and making the evolution of D&I the shared responsibility of everyone.

While D&I is a business imperative, the process is more complex than most growth initiatives because it often involves wholesale culture change or at least heightened awareness and new behaviors across the organization. For example, many organizations have launched ambitious outreaches since the start of the social justice movement. Brandon Hall Group research shows a wide variety of efforts:

88%

of organizations are increasing efforts to discuss political and social issues that impact their workforces

59%

of organizations are getting input from across the enterprise on how the organization can improve D&I efforts

44%

of organizations are meeting with their diversity council and ERGs to discuss how these social issues should be discussed within the organization

But success requires more than isolated or targeted efforts. High-performing organizations take a holistic approach that includes:<sup>15</sup>

- **Establishing trust.** This requires:
  - › Creating an environment where the unique attributes of each person are understood, valued, respected, and utilized
  - › Offering equal opportunities for career growth
  - › Evaluating and rewarding performance equitably and equally
  - › Corporate responsibility that includes supporting the communities and markets served
  - › Transparent and inclusive communication about D&I
- **Offering continuous learning experiences.** Building a D&I culture requires continuous learning and development at all levels of the organization. Programs should be dynamic, ranging from building awareness and engagement among all employees to offering career development opportunities to members of employee groups underrepresented in senior leadership roles.

At Germany-based Siemens Energy, a job-swap program sent a strong message. “We allow our employees, even in the factory environment, to swap jobs with persons with disabilities (and vice versa),” said Maria Ferraro, chief financial officer and chief diversity officer. “This goes back to the fact that it’s not just about diversity—it’s ensuring that everybody, regardless of ability, gender, race, or sexual orientation, feels that they can succeed at our company and has the opportunities to do so.”<sup>16</sup>

<sup>15</sup> Diversity & Inclusion: Strategies for Success as Its Importance Grows, Brandon Hall Group

<sup>16</sup> Addressing Diversity and Inclusion: Going Beyond the Benchmark

Source: Brandon Hall Group Study, Diversity & Inclusion: What's Changing?



## Key takeaways

Empower organizationwide participation. Two effective ways to do this are through D&I councils and employee resource groups (ERGs). D&I councils provide governance. Members, who can range from senior leaders to rank-and-file employees, ensure the process of setting policies and priorities is inclusive.

ERGs are voluntary, employee-led groups focusing on specific issues. They can range from women's and LGBTQ+ networks to support groups for working parents and veterans and much more. ERGs provide insights and ideas that are critical to building a culture of inclusion.

Establish accountability. Everyone involved in a D&I initiative should be accountable for their roles. For example, talent-acquisition professionals should have specific D&I goals, ERGs should have specific objectives, and leaders should have specific inclusion targets and progress markers.

Celebrate progress and success. D&I evolves through sustained and consistent effort and has highs and lows. Organizations must support their employees throughout, recognizing and celebrating progress both large and small.

The biggest successes at Marks & Spencer, a multinational retailer in the early stages of its D&I journey, “have been when we’ve helped the people that work for us understand that it’s not just about their experience ... it’s about the experience of our customers when they shop with us,” said Cleo Thompson, head of Inclusion and Diversity. “Getting our colleagues to understand that is what this is all about has really helped us drive the agenda.”<sup>17</sup>

**Learn more in the report, “Addressing Diversity & Inclusion: Going Beyond the Benchmark.”**

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<sup>17</sup> Addressing Diversity and Inclusion: Going Beyond the Benchmark





### About the author

Claude Werder, senior vice president and principal HCM analyst at Brandon Hall Group, wrote this report. He leads the Diversity & Inclusion, Leadership Development, and Talent Management research and advisory practices. He also produces Brandon Hall Group's HCM Excellence Conference.

### About Brandon Hall Group

With more than 10,000 clients globally and 28 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results. Some ways we can help:

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