

CAHRS
Virtual
Working Group
Series:
Diversity,
Equity &
Inclusion

Session 3: Building Inclusive Cultures

April 13, 2021

As organizations respond to growing calls for better outcomes with Diversity, Equity and Inclusion (DE&I) efforts, particularly concerning racial justice and gender equality, among others (e.g., age, sexuality), lines have only grown deeper. While this represents a profoundly positive shift, developing results with DE&I efforts present new challenges for human resources (HR) leaders. As many organizations have discovered, simply hiring diverse talent without making DE&I an integral part of their culture does not ensure lasting DE&I success. Other elements, such as building “an inclusive culture,” are essential factors to success with DE&I initiatives. Dr. Tony Byers and Beth Flynn-Ferry convened a working group to discuss these challenges. In this virtual working group, the discussion centered around 1) how DE&I performance can be measured, 2) how the issues that hampered DE&I performance were identified, 3) possible approaches to solving DE&I issues, 4) additional things to consider when addressing DE&I issues, and 5) other takeaways related to corporate DE&I effort.

DISCUSSION

TAKEAWAYS

1. Measuring DE&I Performance

How Can DE&I Performance be Evaluated?

- The CAHRS members shared how they have measured the companies' DE&I performance. Most of the members indicated that they relied on employee opinion surveys in evaluating DE&I performance. Alternatively, one member relied more on archival data for measuring DE&I performance. Specifically, should there be trending racial/gender differences in employees' trajectories of progress in the organizational hierarchy, it is considered poor DE&I performance. If such indications of poor DE&I performance were found from archival data, then investigations are made to pinpoint whether the undesired outcomes are caused by lack of accountability, lack of transparency, lack of feedback, and/or lack of recognition.

Word of Caution: Social Desirability May Bias Your DE&I Performance Ratings

- As many CAHRS members denoted that they rely on employee opinion surveys for measuring DE&I performance, Dr. Tony Byers offered a recommendation regarding how employee survey items need to be worded. He suggested that employees should be asked about DE&I in the company without directly bringing up the concept (i.e., ask indirect questions that reflect DE&I performance). When employees are directly asked about the company's DE&I, social desirability bias may occur, inflating their DE&I evaluation. Some sample items provided by Dr. Byers to avoid this bias were as follows: “I feel safe to voice my opinion even if it goes against others' opinion.”; “I receive actionable feedback for career growth.”

21 participants
from 15
CAHRS Companies:

American Express
Boeing
Boston Scientific
Cigna
CUBIC
Estée Lauder
IBM
Johnson & Johnson
JPMorgan Chase
McDonald's
Merck
Procter & Gamble
Samsung Electronics America
Terex
Walmart

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2. How Are Problems That Impede DE&I Success Identified?

- Members of the working group listed a number of methods they used to identify problems of discrimination and microaggressions in the workplace. Some said they ask their employees to indicate the specific events that are encumbering the company's DE&I success as they distribute opinion surveys. In addition, focus groups where all members from a team gather to share their experiences and feedback were administered. Further, one member mentioned that they organized employee resource and DE&I groups that work on behalf of the company's employees in bringing up the problems that are counteracting against creating an inclusive work environment. One member stated that the company utilized a series of "intimate town halls." These town halls are safe spaces where employees can talk to senior leaders about the discrimination and microaggressions they experienced in the workplace. They were found to be effective in earning rich information and feedback about the company's current state in terms of DE&I effectiveness, as those who come to these town halls are voluntarily engaging in the conversation with the purpose of letting the upper-level leaders become aware of the problems they are facing. Lastly, the usage of external consultants was indicated. External consultants that accumulated a significant amount of experience in corporate DE&I can offer guidance and resources in pinpointing companies' DE&I problems with better efficiency.

3. Possible Approaches to Solving DE&I Issues

Internal Career Progression Programs

- One of the members shared the experience of using internal career progression programs for minority groups. Prior to using the program, the company experienced high discrepancies between the ratio of White employees who successfully progressed up the career ladder and the ratios of non-White counterparts who were able to proceed to higher-level positions. The program focused on providing more skill improvement opportunities to minority members and help them be more exposed to senior leaders to increase their chances of being considered for higher-level positions. After the implementation of the program, there were increased ratios of African American, Hispanic, and Asian workers who moved to upper levels of the organization.

Coaching About Allyship Behaviors

- Coaching employees about allyship behaviors was also suggested to be effective. A member indicated that many of the company's employees believed that they are inclusive workers who practice allyship in the workplace. However, when the employees were asked about what are allyship behaviors and how they practice them in their daily work lives, many of them realized that – unlike their initial beliefs – they do not know what exactly allyship behaviors are, and even if they knew, that they have not practiced much of such behaviors in their daily work with others. Therefore, coaching employees about allyship behaviors can help them better understand and consciously engage in those behaviors that promote an inclusive work environment.

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Tying DE&I Performance to Compensation

- Moreover, there was a suggestion of tying compensation to DE&I performance to ensure accountability of leaders. However, the suggested solution was deemed problematic for several members as they believed externally pressured DE&I efforts may be seen as inauthentic by employees and may result in unintended negative outcomes.

The Four Factors of an Inclusive Workplace & the Importance of Fairness and Access to Senior Leaders

- Dr. Byers also shared his knowledge on this matter. He shared that there are four primary elements that companies need to improve for creating an inclusive workplace: 1) Hiring, retaining, and developing diverse talent; 2) developing inclusive leaders; 3) fostering inclusive cultures; and 4) creating unbiased talent management processes. To sustain an inclusive work environment, companies should regularly inspect how they are doing in terms of these four elements. In addition, he also informed the members that increasing fairness and access to senior leaders are critical in improving employees' sense of inclusion. It was found that simply improving fairness in the workplace led to a 50% increase in employees' sense of inclusion, and accessibility to senior leaders enhanced it by 40%.

4. Additional Things to Consider When Addressing DE&I Issues

Timing is Important for Nudging Leaders' DE&I Supportive Behaviors

- One member indicated that when DE&I is emphasized to leaders strongly affects their DE&I outcomes. The member recommended reminding leaders of the importance of DE&I right before conducting training for subordinates, undergoing performance appraisals, and distributing monetary compensation.

Authentic Leadership is Necessary

- Further, authentic leadership was brought up as a critical factor for effectively resolving DE&I problems. Leaders' behaviors are the face of their company in the sense that employees construe their company values and practices based on the leaders' behaviors. When leaders emphasize DE&I efforts only seasonally (e.g., during DE&I appraisal periods) and exhibit disregard against DE&I initiatives at other times, employees will be less likely to take part in the company's DE&I initiatives as they are viewed as inauthentic.

An Unsuccessful Case: Constitute Your Representatives Carefully

- One member shared the company's experience of an unsuccessful effort in enhancing employees' sense of belongingness. During Black History Month, the company formed a group of panelists to share the experiences of African American employees in the workplace as part of their DE&I initiatives. What the company unwittingly mismanaged in constituting the panel was that all panelists were non-African Americans. Although the company ran the panel with the intent to increase African American employees'

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sense of inclusion, the effort backfired as the employees negatively evaluated the panel discussion as lacking authenticity.

5. Other Takeaways

Signify Your Effort and Accomplishments

- Companies should not only focus on improving DE&I performance but also consider how they can signify their DE&I effort and accomplishments to company stakeholders. As direct beneficiaries of companies' DE&I efforts and accomplishments, internal stakeholders (e.g., employees) would dedicate greater commitments to their company as they become more aware of the DE&I effort that is devoted to them. Further, as external stakeholders (e.g., consumers and nearby communities) are becoming more sensitive about companies' social responsibilities, they will provide greater support to companies they recognize for promoting an inclusive work environment. Publications of annual DE&I reports is one possible way of showing DE&I efforts and accomplishments.

Things may be Harder for United States (US) Subsidiaries with a Foreign Headquarter

- For organizations that are subsidiaries of foreign corporations, DE&I initiatives may be more difficult to implement due to headquarters' regional differences in DE&I issues. Unlike the US, where equity across ethnicities and gender are sought to be protected, foreign nations may have different cultural values or demographic compositions where concerns for inequity across ethnicities and gender are not applicable or overlooked. When headquarters is based in one of such nations, the US subsidiaries may have to communicate with the headquarters about why prioritizing the DE&I effort is important in the US to receive funding and resources and improve employee engagement.

This Summary Report was prepared by Beth Flynn-Ferry, Tony Byers and David Chung for participants of the "Building Inclusive Cultures" Virtual Working Group.

The Center for Advanced Human Resource Studies (CAHRS) is an international center serving corporate human resources leaders and their companies by providing critical tools for building and leading high performing HR organizations. CAHRS' mission is to bring together Partners and the ILR School's world-renowned HR Studies faculty to investigate, translate and apply the latest HR research into practice excellence.