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Edition on  
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Excellence

## DEI: A sustainable cultural transformation needs more than a few initiatives

**B**lack Lives Matter and Me Too movements, immigration and political crisis owing to Brexit and others, and a global pandemic, the world has seen a lot over the past few years, especially since 2020. And, yet not much has changed!

No company ever wants its employees to come to work and feel uncomfortable or threatened. Yet, more than half of LGBTQ+ employees reported in a Glassdoor survey that they have witnessed or experienced discriminatory comments by coworkers.

No company ever wants its employees to fall victim to online harassment owing to their ethnic, religious and gender identities. Yet, according to Pew Research Center, at least 41% of Americans have personally experienced online harassment. For individuals within underrepresented groups, being harassed online is an even more frequent occurrence!

The rising hate crimes against Asian-Americans and Asian immigrants in the United States, UK, and other places and the widening pay disparities point toward the reality that very little has been implemented to sustain actions towards social change.

This month's issue of **HR Legal & Compliance Excellence**, with a special focus on 'Diversity, Equity and Inclusion', brings you a diverse set of articles and interviews from HR experts that, we hope, will help you understand the nuances of DEI, why it is important and how to build a sustainable DEI culture, and more.

Featured on the cover, this month, is Tori Armendariz's **How To Build Policies That Support Diversity & Inclusion In The Workplace**, where the author talks about how organizations can bring in real and long-term changes that protect and advocate for LGBTQ+ employees.

In **Why Corporate Observances Of Juneteenth Is Falling Short**, Monique Cadle and Fran Benjamin point out that the true observance of these holidays would focus more on deepening our understanding of how our history has impacted each group and making conscious choices to operate differently in order to reduce complicity with those historic structures, instead of treating it merely as a national holiday.

Also featured in this edition are two exclusive interviews - In **"Equity Is Necessary, Not Equality"**, Stacey Gordon, Chief Diversity Strategist and CEO, Rework Work, talks about the challenges of implementing DE&I initiatives in a company, the key factors of building a diverse, equal and inclusive workplace, and more. And, in **"DEI Is More Than Compliance And ROI; It's A Cultural And Moral Imperative"**, Hoyun Kim, Chief Legal Officer and Head of Inclusion, ExecOnline, tells us why diversity & inclusion is much more than compliance and ROI, what has been her biggest challenges while implementing DE&I initiatives, and more.

Also, read **Creating More Equitable Succession Practices** by Cynthia Dow and Tina Shah Paikeday and Robert S. Sheen's **How To Design A Successful Pay Equity Program**.

This is not all! This edition also has a lot of other insightful articles that should help you achieve excellence in your legal and compliance efforts.

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# How To Build Policies That Support Diversity & Inclusion In The Workplace

Tips to enact real change in your organization

 By **Tori Armendariz**

No company ever wants its employees to come to work and feel uncomfortable or threatened. Yet, more than half of LGBTQ+ employees reported in a [Glassdoor survey](#) that they have witnessed or experienced discriminatory comments by coworkers.

The benefits of a diverse and inclusive work environment are limitless, including higher employee retention, more innovative ideas and even revenue growth. That being said, building a strong diversity and inclusion policy designed to support and protect your employees should be a top priority. Rather than just changing the company logo for pride month, the policy must signify real, long-term change that protects and advocates for LGBTQ+ employees. And with our

community's ongoing fight for equality, we cannot afford to fail.

Admittedly, I am a queer, Mexican, Native American and caucasian woman. Having been directly impacted by the outcomes of these battles, I personally built my company's official Diversity, Equity, & Inclusion policy. Here's how I did it:

## Set the Tone

Each company culture is different, so the best place to start is figuring out what makes sense for your company. With a policy of this importance, the first instinct may be to hide behind workplace jargon and professionalism approved by a legal team to communicate standards and appropriate behaviors. However, this can create policies that seem cold and unengaging to your team,

almost like a non-involved third party created your workplace policies if it doesn't match your company style and tone.

Since this policy directly impacts my team, my goal in building this policy was to engage them and make them a part of the conversation, as opposed to being forced through policy review.

## Breakdown the Basics

The terms diversity, equity, and inclusion have become so broad that not everyone knows what they mean or interprets them differently based on assumptions or past workplaces.

Start your plan by explaining exactly what diversity, equity, and inclusion are in clear, understandable terms and how they impact everyone. It may

seem simple but it guarantees that your team is on the same page when it comes to a basic understanding and definition of diversity and inclusion.

### Know Your Team's Needs

It's important that your policy directly addresses your workplace and its unique needs, so you'll have to figure out exactly what should be included in your company's policy. Begin by asking yourself what you need to feel safe bringing your full self to work, and then bring your team into the conversation to get their thoughts. This policy will directly affect them, so you want to make sure they have a voice in building it. Additionally, they will likely have some insight into things that have worked in the past or share issues to look out for to help you build a stronger policy.

### Identify Intolerable Behaviors

At Trainual, we knew any form of discrimination or harassment would not be tolerated. However, when it comes to sensitive topics like diversity, equity, and inclusion where there can be repercussions that affect the people on your team, there is no room for assumptions.

Understanding there is no easy way to account for all discriminatory and harassing behaviors, provide specific examples of behaviors that your company will not tolerate under any circumstances whatsoever. Do your best to make it clear which behaviors are wrong and which are right.

Here is an example of what we shared with our team to show what qualifies as harassment:

*Treatment in a way that is offensive, humiliating, intimidating or threatening because of protected characteristics: age, gender, pregnancies, abilities, sexual orientation, religion, nationality, race and ethnicity. This is including but is not limited to: jokes, comments, name-calling, hate speech, insults, intolerance, the perpetuation of stereotypes and physical assault or violence.*

### The Fallout: The Penalties for Failure to Comply

To truly protect your employees, setting a standard in your policy and then strictly enforcing it is the only way to build and foster an inclusive and safe environment for all employees. If you fail to take action on discriminatory behaviors, you will lose your team's trust and, likely, even valued team members. This includes holding higher-level employees to the same standards and instituting the same disciplinary actions, if necessary – no exceptions.

Make sure to clearly define the repercussions in a way that leaves no room for interpretation. It makes a powerful statement to your team members to know that discriminatory behavior will not be tolerated and met with action, including potential job loss.

LGBTQ+ communities (as well as several other marginalized communities) are still fighting

battles for equality to this day, so every organization is responsible for making sure that all of their employees feel safe at work and take off their armor. By taking a stance and creating a strong, clear policy, it will make a difference to your team and point your company in the right direction to enact real change.

• • •



**Tori Armendariz** is the Technical People Operations Generalist at Trainual. In her role, Tori works with their technical teams for brand building and hiring as well as owning employee benefits and diversity, equity and inclusion (DEI) strategy and execution for the team at large. She loves being a part of a rapidly growing team and is dedicated to leading efforts to increase and celebrate all aspects of DEI at Trainual.



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# "Equity Is Necessary, More Than Equality"

Exclusive Interview with **Stacey Gordon,**  
Chief Diversity Strategist and CEO, Rework Work



"The key factors to build a DEI culture are transparency, trust and authenticity. It is important for an organization to be transparent in its actions. When it is not, there is a lack of communication. When employees are not kept abreast of why decisions are being made, they will make up their own reasons for why things are happening and those reasons are never positive. says **Stacey Gordon, Chief Diversity Strategist, and CEO, Rework Work.**

**In an exclusive interview with HR.com,** Stacey talks about the challenges of implementing DE&I initiatives in a company, the key factors of building a diverse, equal and inclusive workplace, and more.

*Experts from the interview:*

**Q. What are the biggest challenges you faced when implementing DE&I initiatives in your company? How did you overcome them?**

**Stacey:** As external consultants, we work with many companies who are beginning their DEI journey or who are in the middle and aren't sure if their efforts are making a difference. The biggest challenge I see that companies have to overcome is the attitude of the senior leadership team. From the CEO, to the CFO, to the Chief People Officer, to your head of every department - their inability to role model the behavior they expect to see is a roadblock to success.

In order to overcome that factor, we have to work with the team, both as a team and in a one-on-one capacity, to help them see how their behaviors and attitudes are obstacles to the process and how to get on board by getting out of the way. They may not understand the process, but they have to understand the process is necessary.

**“In several major companies, employees do not trust the leadership because leaders lack authenticity. Company leaders should demonstrate that they are committed to DEI and should be role models to others. They should start behaving like how one is expected to behave in an inclusive workplace.”**

**Q. What are the key factors of building a diverse, equal and inclusive workplace?**

**Stacey:** First, I think it's important to note that equity is what is necessary, not equality. The key factors include transparency, trust and authenticity. It is important for an organization to be transparent in its actions. When a company is not transparent, when there is a lack of communication and when employees are not kept abreast of why decisions are being made, they will make up their own reasons for why things are happening and those reasons are never positive. Without transparency, you cannot have trust and trust is another key component to building a diverse, equitable and inclusive workplace.

We see so many companies, where employees do not trust the senior leadership team. This makes it extremely difficult to take any action for the benefit of the company because such actions will not be then based on any fact or real data.

And, finally authenticity is needed. In several major companies, employees do not trust the leadership because leaders lack authenticity. Company leaders should demonstrate that they are committed to DEI and should be role models to others. They should start behaving like how one is expected to behave in an inclusive workplace.

**Q. What measures are you taking in order to eliminate unconscious bias from human and technology perspectives? What were the challenges and how did you address them?**

**Stacey:** You can never eliminate unconscious bias. The most we can do is create awareness, identify the areas where it is most likely to occur and then interrupt the bias by ensuring there are objective standards and that those standards are applied to everyone. When it comes to technology, technology is programed by humans. If we do not address the unconscious bias in humans, we will never be able to address it in technology.

**Q. What cultural changes did you bring in to embrace diversity in the workplace? How was it received by employees? What were the challenges?**

**Stacey:** When it comes to discussing cultural changes, the workplace culture cannot change unless the individual employees change. That requires a review of company values and most employees are open to learning about and having input into company values. The challenges are when the values continue to perpetuate themes of white privilege and socialized behaviors which continue to be detrimental to women and employees of color.

For example, a common value we see is speed. It may appear as being first to market or as being a first mover or priding themselves on making decisions quickly. However, that value is one that discourages introspection and time for collaboration and the ability to obtain input and feedback. This value usually ends up favoring the people who can think quickly on their feet and who are the first to speak, while ignoring other valuable input that might never be received.

**Q. What steps do you take to embrace and celebrate differences?**

**Stacey:** We are constantly learning, observing, and listening to what needs to change, so that we can stay abreast of current ways to continue to learn more and respect others. We subscribe to the framework



in my book, *Unbias: Addressing Unconscious Bias at Work*, where we have to start with awareness. That means we have to do it too. It's not something that we can push externally, but we also have to embody it internally.

**Q. What are the main areas that companies should look into in order to build a real DEI workplace?**

**Stacey:** For a company to know what areas they should look into, they have to start with an audit. They have to garner data and facts. That requires them to talk to their employees through stakeholder interviews and focus groups, to offer DI dialogues and town halls and conduct surveys that can truly be anonymous.

**Q. How important is it that leadership takes an active role in these conversations? Currently, this is not happening much. Why? How can this be changed?**

**Stacey:** It is vitally important that leaders take an active role in the diversity, equity and inclusion conversation. They have to spearhead the efforts

and they have to role model their behaviors. It isn't happening as much because they have been allowed to get off the hook by simply writing a check or by publishing a statement. Companies are starting to see that that is not enough and it might have some quick short term wins, but in the long run, it will be detrimental to their business.

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# Top 4 Elements Of An Efficient And **Productive** **DE&I Council**

A well supported, informed, and diverse DEI council, create positive change in an organization



 By **Dima Ghawi**

An excellent way to integrate diversity, equity, and inclusion (DEI) into our organizations is through a DEI Council. This initiative provides companies with an enthusiastic group of employees dedicated to evaluating current diversity metrics, establishing new programs, and tracking the long-term progress of

creating a culture of inclusion. However, without the proper support and structure, a DEI Council may be rendered ineffective or lose steam.

To ensure the success of our current and future councils, here are four key ingredients of an efficient and productive DEI Council.

**1. Support from executives at the gate** is imperative to establishing and maintaining a strong DEI Council. Though this may be daunting, garnering attention and assistance from leadership will increase the council's efficiency and longevity. By informing and onboarding company leadership, we can establish the importance of this DEI initiative. This step ensures the appropriate amount of funds and time will be dedicated to the council, allowing the group to not only survive but thrive within our organizations.

When possible, try to give senior leadership, like CEOs or the board of executives, an active role within the DEI council. This integration may take the shape of an executive assisting with the annual budget proposal or even a CEO proposing their own ideas for possible diversity initiatives. By opening the council to executives, we encourage their participation and garner extra support for our efforts.

**2. Along with executive ties come a direct link to business mission statements and strategy.** The DEI Council should at least have full access to the organization's diversity strategy, including information about short-term and long-term goals. Furthermore, by informing the DEI Council about future company plans, the group can voice the concerns and comments of minority individuals and help steer organizational decisions in an inclusive way. This connection establishes diversity and inclusion as a regular topic in company decisions, further integrating DEI into the backbone of our organizations.

**3. When creating a DEI Council, one of the most important elements is member selection.** In this stage, we are searching for dedicated and driven individuals ready to volunteer their time and focused on increasing diversity within the organization. While on the lookout, don't forget to ensure diversity within the DEI Council itself! The council should represent the organization demographically and provide a strong voice for present minority groups. During those last charter decisions, evaluate the gender, racial, generational, and even departmental diversity of candidates before selecting the ultimate group. With a representative group of leaders, employees will feel

more compelled to interact with the DEI Council and participate in future initiatives.

**4. Finally, the DEI Council requires clear goals and understandable metrics to track progress.** When establishing the council, consider holding a meeting dedicated to writing direct and achievable long-term goals with associated short-term initiatives and strategies. Ensure that these milestones align with the organization's mission statement as well as the overall DEI strategy. Furthermore, devise an understandable and measurable way to track the progress of the DEI council. This system will provide an integral method to evaluate the development of the council, their headway towards long-term goals, as well as the organization's overall culture of inclusion. With established objectives and defined evaluations, we can bolster the progress of DEI within our organizations.

These four pieces of advice come together to create a well supported, informed, and diverse DEI Council, sure to create positive change in any organization. By incorporating these steps, we can set our councils up for success, providing them with the tools and skillsets needed to increase productivity, creativity, and efficiency.

• • •



**Dima Ghawi** is a Keynote Speaker, Leadership Development, Executive Coach at Dima Ghawi, LLC, helping women and men globally advance their careers and expand their potential.



▶ Would you like to comment?

# "DEI Is More Than Compliance And ROI; It's A Cultural And Moral Imperative"

Exclusive Interview with **Hoyun Kim,**  
Chief Legal Officer and Head of Inclusion, ExecOnline



"Diversity and inclusion is about more than compliance. It's about more than the return on investment; it's a cultural and moral imperative of any organization in a progressive society. With the heightened awareness of this over the past year, I believe we're starting to see a rise in the level of true conviction that diversity, equity, and inclusion are valuable and attainable goals," says **Hoyun Kim, Chief Legal Officer and Head of Inclusion, ExecOnline.**

**In an exclusive interview with HR.com,** Hoyun tells us why diversity & inclusion is much more than compliance and ROI, what has been her biggest challenges while implementing DE&I initiatives, and more.

*Experts from the interview:*

## **Q. Diversity and inclusion is about more than compliance. What is your take?**

**Hoyun:** Diversity and inclusion is about more than compliance and it's about more than the return on investment; it's a cultural and moral imperative of any organization in a progressive society. With the heightened awareness of this over the past year, I believe we're starting to see, in the business world, a rise in the level of true conviction that diversity, equity, and inclusion are valuable and attainable goals. In reality, of course, many organizations have struggled with translating this belief into action and accountability, so we still hear about false starts and outcomes that fall dramatically short of expectations.

For a long time, DEI leaders often held very little actual authority and ability to enact change in their organizations, and that has led to tremendous cynicism about DEI as a profession. That is changing, and some companies are publicizing real commitments to not only taking action to improve their DEI performance, but also specific actions that address systemic, historical inequities.

**Q. What are the biggest challenges you faced when implementing DE&I initiatives in your company? How did you overcome them?**

**Hoyun:** I recently stepped into the new DEI role at ExecOnline after five years of leading the company's HR and legal functions. So, I had the advantage of being at a company I already knew very well, where I had trusting relationships at all levels. The individuals on the talent team are forward-thinking and creative people, and very in-tune with thought leadership around DEI. A lot of great ideas have emerged from this team and I, now, partner closely with our new Chief Human Resources Officer Matt Castaldo, who has broad experience with DEI initiatives in larger organizations. I depend on him as a thought partner and as someone with a keen focus on data, methodology, and process - the tools necessary to make change happen.

I could not be in a more receptive environment for launching DEI initiatives. Our business is all about helping organizations build workplace cultures, where development opportunities are more equitably distributed. Our mission is to democratize leadership development, which translates to greater career opportunities for historically underrepresented groups. This is the reason ExecOnline exists, and our CEO Stephen Bailey and my peers on the executive team are out there everyday spreading this message.

So, my challenges are not situational as it relates to the company - that's the easy part. What has been challenging in this initial stage of building our DEI function is the search for frameworks and best practices. It is an evolving field, and of course, there are practitioners who have been doing this for a long time, but in a different, much more resistant environment. Because I haven't found a treasure trove of great models that resonate with me, I have started to get creative, tapping into my own experiences as an Asian American professional working in the traditional field of law in this country, and listening to our employees who are some of the brightest and most thoughtful people I know. I also talk to professionals in the field who are creating new approaches for assessing the effectiveness of DEI initiatives. I am

currently on the hunt for technology solutions too, and I think we're going to see a lot of innovation over the next couple of years.

Putting ideas forward that do not emanate from some known authority always involves personal risk, but our CEO believes in fresh thinking and data-driven approaches to our efforts, regularly stating "...you cannot manage what you cannot measure."

**Q. What are the key factors of building a diverse, equal, and inclusive workplace?**

**Hoyun:** I believe the key factors fall into several categories: mindset, everyday behaviors, and purposeful actions. Some of the fundamentals we are talking about at ExecOnline are, (1) putting employees first when developing programs and policies, meaning trying to best understand what they need and want as the starting point rather than focusing on external optics; (2) leadership behaviors that create the environment where equity and inclusion can thrive; and, (3) developing greater "DEI fluency" across the organization - we all need to learn the language of DEI and the communities we are seeking to embrace.

**Q. What measures are you taking in order to eliminate unconscious bias from human and technology perspectives? What were the challenges and how did you address them?**

**Hoyun:** Eliminating unconscious bias is part of the mission of our business, and our learning experiences on unconscious bias, which we offer to clients, are also available to our employees. Last year, we addressed this extensively during our first "Inclusive Workplace Awareness Week" when the talent team led training sessions on inclusion that was designed to be interactive. It was an immersion experience into the unconscious bias that culminated in a town hall meeting where anyone who wanted to share their thoughts and experiences was welcome to speak. There was an impressive level of participation across all levels of the company; I was truly inspired.

The beauty of opening your eyes to unconscious bias is that once you see it, you can no longer unsee it.

“The challenge of raising awareness of unconscious bias is that, by definition, it requires self-reflection, which some people are naturally good at and some people are naturally resistant to. It’s a journey, not a one-time epiphany.”

Then it becomes second nature to recognize it in yourself and within your environment.

The challenge of raising awareness of unconscious bias is that, by definition, it requires self-reflection, which some people are naturally good at and some people are naturally resistant to. It’s a journey, not a one-time epiphany.

I believe, it starts with empathy, which grows out of awareness of another person’s experiences. That is why I appreciate that so many people at ExecOnline are open to sharing their experiences. If you start with that rich environment where people are talking about it, the learning has already begun, and you build on that.

**Q. What steps do you take to embrace and celebrate differences?**

**Hoyun:** In the past year, our employees formed a number of employee resource groups after the idea was presented to me by members of our talent team. We have six ERGs now, and they work with the talent team to raise awareness of the interests they represent.

During Black History Month and Pride Month, the ERGs published spotlights of individual ERG members with their thoughts on the people and organizations that have inspired them. I love seeing those because it is an opportunity to get to know people in a fuller context that is not just about their jobs.





At the executive level, we are discussing how we can support the growth and development of the ERGs and enable them to drive DEI learning within the organization. It is an important part of our culture now.

**Q. How important is inclusivity to build a diverse workplace? What are the measures you take so that employees feel inclusive?**

**Hoyun:** Inclusivity and equity are the real keys to building a truly diverse culture. This becomes obvious when you are recruiting people and you observe their behaviors and try to imagine what they see. I always notice when candidates are visiting for interviews, how they look around and take in the environment. They take mental notes about who is comfortable here, whose voices are heard, who looks confident and important, and even who looks like they do.

What Malcolm Gladwell calls “thin-slicing” is what candidates do when they observe people at work for that brief time. If a person from an underrepresented

group can picture themselves in the scene, if they can imagine being happy and successful here because others like them are happy and successful here, then you must be doing something right!

A truly inclusive workplace attracts a diverse pool of candidates. To create that inclusive workplace requires a focus on retention, and the specific ways we support individuals along their career paths.

**Q. How important is it that leadership take an active role in these conversations? Currently, this is not happening much. Why? How can this be changed?**

**Hoyun:** Leadership absolutely needs to take an active role in these discussions, even if it becomes uncomfortable, at times.

We can all do better, if we put ourselves in the stance of being a learner. You do not have to be an expert to be an effective listener; you can start there, and as you learn, you develop points of view, and that leads to ideas.

When you’re a leader, especially when you are in a field like law or in a technical field, you get used to being valued for your expertise, and that may lead to a bit of paralysis when you are thrown into an environment where your views and voice are important in matters outside of your expertise. But it is not always just about your technical expertise, and this is why I think it is important to learn the language of DEI as a foundational part of self-learning.

...

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# Companies Are Finally Addressing The Battle Against Racism; Are They Taking Meaningful Actions?

A few meaningful ways to turn words into action

 By **Kenneth Walker**

The recent guilty verdict in the George Floyd murder case has signified a profound shift in how we view and address racial justice in this country. After a year that's put racism in the national spotlight, companies have stepped up in a big way to show their support: Wall Street banks like JPMorgan Chase have announced [programs worth billions](#) to support Black communities; Big Tech companies like Microsoft have committed millions to meaningful diversity and inclusion (D&I) programs; significant sports organizations like the NBA, NFL, and MLB have doubled down on investments and decorated their arenas and uniforms with the words "Black Lives Matter"; and just this week, corporate statements, social media posts, and open letters to employees have [poured out](#) from companies and top business leaders with reactions to the Derek Chauvin verdict, many of which voiced new commitments and pledges to help advance racial equity.

That said, it's clear that we've only scratched the surface when it comes to the work that requires

intentional action. Businesses and philanthropies across the country have opened up their wallets this year to help bankroll racial justice programs, resulting in unexpected change for workers, families, and communities all over the country. However, they also can transform the lives of millions more by turning their words into action in a few meaningful ways.

One of the most significant ways we can tackle racial inequality in corporate America is by committing to hiring diverse talent from nontraditional pathways. The real impact in workforce training programs isn't just the training students receive - it's the hiring partnerships and professional networks that alumni can tap into after graduation. Many of these programs are designed for traditionally underrepresented groups in today's emerging fields - people of color, women, and young adults who ended their formal education after high school.

By the end of their training, these individuals are armed with the skills they need to succeed in today's



workplace, even if they haven't followed a traditional college pathway. Suppose more companies were to start placing a higher value on the merits of hiring from programs like Per Scholas, Year Up, and NPower. In that case, they'll be able to build more diverse talent pipelines, increase retention rates, and find the talent they need, all while helping the people who need it most.

Another meaningful way companies can tackle systemic racism is by addressing their own internal biases in hiring and promotions. We know that diverse individuals are challenging to recruit in fields like technology because they don't meet the initial criteria outlined in job descriptions. Artificial barriers - such as college degrees or years of industry-related experience - are deeply embedded in many corporations. They often discourage underrepresented groups from applying for jobs they might otherwise be qualified to fill. By being more thoughtful in the hiring and talent acquisition process, companies can play a more prominent role in helping BIPOC workers get ahead by tapping into their unique skill sets and backgrounds.

Lastly, companies need to be building workplace cultures that encourage lifelong learning and advancement. Organizations should consider reskilling and upskilling for all of their talent, not just younger workers. As technology continues to transform the way we do business, talent needs

are also changing every day. Business leaders need to ensure they support existing staff - including BIPOC staff - in learning the skills they need to remain competitive.

Looking ahead, we must encourage and enable more companies to turn their commitments into action. Covid-related job losses and layoffs have had the hardest hit on Black and brown communities. Many are looking for ways to future-proof their careers and build more stable financial opportunities. We can help BIPOC workers achieve a better and more thriving life by partnering with organizations and taking a more innovative approach to hiring that will result in more diversity in tech. It means breaking old habits and being courageous in trying new models for training and hiring. It needs to be a top priority in how we operate going forward in order to make meaningful changes to diversity in the tech industry.

...



**Kenneth Walker** is the EVP of Diversity & Operational Excellence at Per Scholas.



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# Why Corporate Observances Of Juneteenth Is Falling Short

Achieving inclusive practices starts with simple actions

By  Monique Cadle and Fran Benjamin

President Joe Biden recently [signed legislation](#) making Juneteenth a national holiday. This day, representing the ending of slavery, was first celebrated in Texas in 1865, years after the Emancipation Proclamation initially outlawed the practice.

As a point of focus, it's important to note that this delay in fully realizing the emancipation of our nation's enslaved population demonstrates a lack of commitment to executing the promise made by the government.

Prior to this national announcement, hundreds of companies had already started celebrating this day as a holiday as a response to the national outcry for anti-racist action, after the murder of George Floyd. It's easy to predict that thousands

more will now add the holiday to their workplace observances as a day off and possibly part of their diversity and inclusion plan.

Corporations have spent countless dollars promoting involvement in diversity holidays, yet a [Gartner survey](#) from last year demonstrated 90% of respondents don't feel their efforts are impactful. In a recent conversation with HR leaders, a company that added Juneteenth to their list of holiday observances in 2020 had contemplated removing it due to the labor costs of another day off, and concerns that it added little value to employees.

This questioning of last year's actions brings to light the real concern that companies have missed the mark on creating

initiatives that actually move the needle when it comes to inclusion.

What's unique about this moment is that it provides an opportunity to commit ourselves to go beyond declarations and move into immediate and sustained actions towards social change. For leaders, this means going beyond adding a day of rest for employees and using this as an opportunity to truly *observe* these holidays with integrity and ethical imperative.

While it sounds simple, there are many layers to the issue of implementation, which we'll dive into.

## Observing Diversity Holidays Rather Than Celebrating Them

Companies have tended to use holidays as a way to show that



they recognize a diversity of identities exists within the company, but they don't go much further than that basic level of communication.

True *observance* of these holidays would focus more on deepening our understanding of how our history has impacted each group and making conscious choices to operate differently in order to reduce complicity with those historic structures.

For example, leaders often recognize international Women's Day celebrations or even welcome employees to take part in the Women's March each winter, but do nothing about the equity concerns that women are bringing awareness to during these events.

Similarly, many now celebrate Juneteenth with a day off from work without using the day to acknowledge that the success

of U.S. capitalism uniquely benefited from slavery.

Pride month shows up each year as a display of colorful flags, logos changed to rainbows, and sponsorship of Pride festivals without acknowledgment that it's still often unsafe to be "out" in the United States; and particularly for trans people of color—a community that many do not even realize were [integral to the founding of Pride](#).

*Observing* these holidays would mean breaking the corporate norms to incorporate discussions that are often deemed unprofessional.

Talking about race, gender, and cultural equity opens up conversations that can be uncomfortable for some, and most recently, heavily politicized. Workplace culture has frequently been politically agnostic out of

fear that taking a political stance means losing employees on the other side of the aisle, so if discussions around equity are politicized it becomes impossible to achieve forward progress.

[Critical race theory](#) (CRT) for example, has become a political hot button while most people don't even know what it means. This theory acknowledges that if the creators of policy and cultural systems held racist beliefs and believed that white people should be prioritized in positions of power and wealth, then those systems created by them would continue to achieve the goals they had when they developed them. If we don't change the systems put in place with such a mindset, we'll continue to see this negatively impact non-white populations.

Companies wanting to deepen their approach to achieving equity would need to reckon with some



of these inherent biases within the organizational structure and that very action could be polarizing. Any first step to moving forward must begin here, so learning how to communicate clearly on issues around these social constructs is important for making it clear that these are community issues and not political conversations that should be strayed away from.

## Make Activism Part of Culture

Employees no longer want to work for a sterile, politically agnostic corporate brand. Corporate activism is becoming a requirement for any successful workplace and expected part of the culture of a company, in fact, a [recent Harris poll](#) indicated 54% of employees would consider leaving a company that doesn't speak up against racial injustice.

Some companies have become famous for their willingness to

[stand up for change](#). Household brands such as Patagonia and Ben & Jerry's have demonstrated the power of social impact without losing customers, and they've found a way to effectively manage negative responses to their advocacy work.

One of the reasons these firms are successful is that their actions are rooted in striving for equity, something people on either side of the political aisle can get behind.

Depoliticizing corporate activism begins with a sincere motivation to use the company's influence to move the needle forward rather than remain complicit with historic injustices.

## Taking Diversity Further

Approaching diversity and equity can feel abstract, but it doesn't have to be. Achieving truly

inclusive practices starts with simple actions.

- **Adopt growth mindset hiring** - Companies that embrace a growth mindset are more likely to invest in growing great talent versus "buying" an employee with a typical background. This means redefining the prototype for a successful employee to remove barriers that create built-in disparate impacts to underrepresented groups.
- **Get beyond pay-equity law** - Pay equity analysis is limited because it looks for statistically significant differences in pay based on a protected class. For companies with an extremely small BIPOC employee group, achieving accurate data isn't possible. This means achieving pay equity might mean simply paying people dollar-for-dollar the same amount and making

sure employees are being evaluated fairly.

- **Create equitable policies -**

From child-first parental leave philosophy to graduated total rewards and benefits policies, develop a strategy and employee policies that differentiate based on individual context to rebalance equity.

- **Champion individual-level change** - A 2019 [meta-analysis](#) found that measures to reduce implicit bias -- the mental shortcuts that cause us to make discriminatory decisions -- result in only short-term

change. This means working towards reducing these biases requires vigilant and constant reflection and remolding of our mental shortcuts. Choosing to build time for this inner work into our daily experience will advance the cognitive capacity of individuals within the company helping them succeed at work, but will also foster a culture of people invested in one another and invested in creating equity. As leaders, join your employees as they activate for social change in their communities. Engage in community organizing, share

and relinquish power, and [pay reparations](#).

Engaging in seasonal diversity planning isn't enough to create change in your corporate culture. The good news is, it starts the conversation and serves as reminders to constantly reinvest your energies. By moving past awareness-level initiatives to create more dynamic movements within the organization, leaders can build sustainable transformation that contributes to a strong culture, drives increased diversity, and improves employee longevity.

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**Fran Benjamin** is Vice President and Head of People at GRAIL, Inc. Fran is also the Founding Partner of Good Works Consulting. Fran has guided people and organizations through strategic transformation for over 15 years as an executive coach, researcher, and corporate executive. Fran has navigated the executive ranks as a non-binary queer person and utilizes this unique experience, combined with leading-edge research and practical industry expertise experience leading large teams of 30+ across global geographies to advise clients to successfully traverse the complexities of equity, diversity, inclusion and belonging throughout their organizations.



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# How To Design A Successful Pay Equity Program

How organizations and leaders approach pay equity



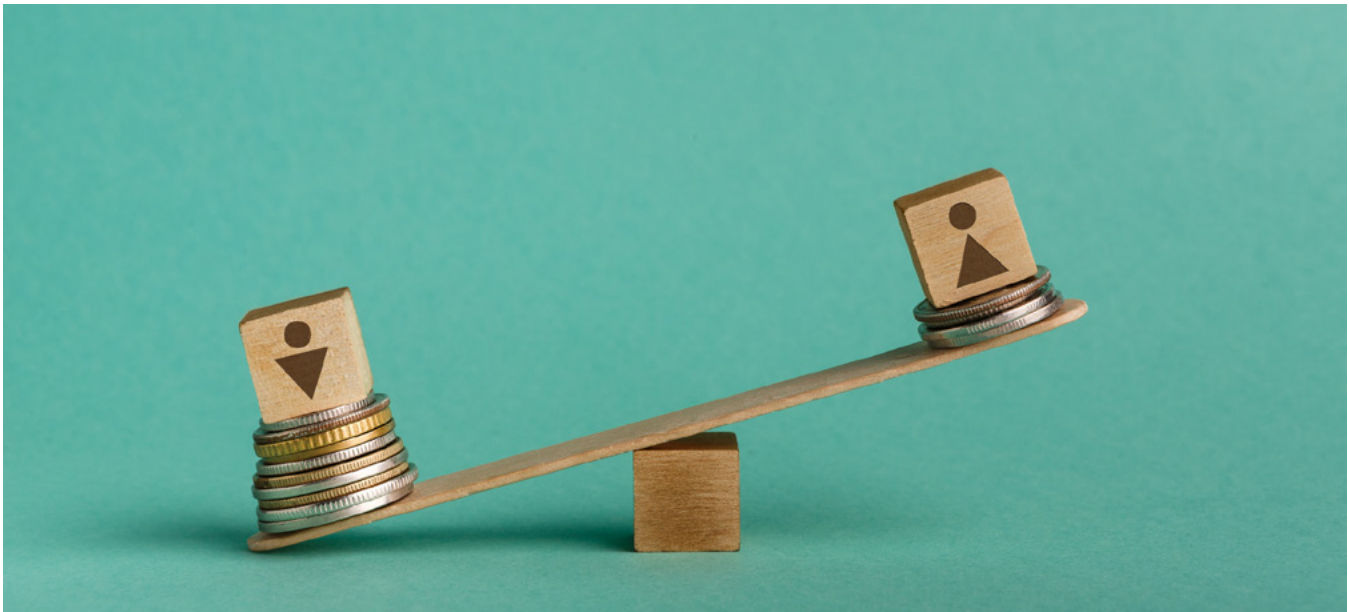
By **Robert S. Sheen**

The events over the last several years propelled public momentum in addressing systemic injustice and social inequity, especially in the workplace. This has cast a bright spotlight on organizations' diversity, equity and inclusion (DEI) efforts – specifically around gender and racial pay gaps. These issues are not going away. In fact, employers should expect pay equity to come even more into focus as governments around the world

enact legislation and as an employee and corporate stakeholder voices become louder about this issue.

Today, we see some of the top factors motivating organizations to tackle pay equity are:

- Improving sense of inclusion among employees
- Acquiring and retaining top-level talent
- Elevating brand perception



- Getting ahead of or adapting to applicable legal and regulatory changes

Pay equity is an integral part of a successful DEI program and can only be accomplished through informed data analysis and resolution strategies that establish a long-term framework to address inequality at all levels of the organization.

### **What Is a Pay Equity Audit?**

A pay equity audit is a multidisciplinary effort that requires extensive knowledge in a legislative and regulatory framework for the applicable jurisdiction, econometrics, statistics and statistical modeling, and workforce data management.

Organizations should consider a pay equity audit to identify pay differences between employees that cannot be explained by job-related factors, such as education, tenure, performance, and other business factors. This process enables employers to understand and evaluate their organizational pay structures, not only to identify pay disparities, but also the sources of those disparities, and provides actionable solutions to achieve pay equity.

It is important to note the key differences as well as the relationship between a pay gap assessment and a pay equity audit. A pay gap assessment is a tool in the overall pay equity analysis that compares

compensation data among employees within an organization. A pay equity audit dives deeper and analyzes compensation data among employees of comparable job categories, while accounting for job-related factors.

### **Should My Organization Complete a Pay Equity Audit?**

Pay equity considerations can vary significantly across industries, geographic regions, and a company's workforce demographics. Pay disparities exist in almost every organization. These pay disparities can hinder success in attracting and retaining talent, diminish company reputation as well as represent a legal liability for organizations, including regulatory audits and the threat of an employee class-action lawsuit. A proactive pay equity audit provides an organization the analysis needed to eliminate these pay disparities.

Hesitancy in conducting a proactive audit can stem from concern that the audit will reveal pay inequities, putting the organization at risk of litigation or other consequences. The problem with that hesitancy is that the issue exists whether the audit is performed or not. The underlying compensation data that would reveal pay inequities don't go away. Importantly, conducting the audit with counsel may shield organizations from mandatory disclosure of the audit. Without an audit, the employer does not have the

crucial tools to reduce or eliminate those inequities. If an employer seeks to understand and evaluate its organizational pay structures by not only identifying pay disparities, but also where those disparities originate, the employer will need this data to provide actionable insights that can be used to find solutions.

## Legal Considerations in the Pay Equity Audit Process

Some employers find themselves in a position to take a more reactive approach as new legislation and regulation can play a pivotal role in driving pay equity policy. For example, toward the end of the Obama Administration in 2016, employers with 100 or more employees were required to file pay data reporting documentation via an EEO-1 component 2 form. While this reporting was later halted under the Trump Administration, with the new Biden Administration, there is a strong possibility that EEO-1 component 2 reporting will be reinstated and there is a renewed interest in federal pay equity legislation among Democrats, who now control the White House and both houses of Congress.

When considering a pay equity audit, organizations must acknowledge that legislation is often driven by the changing social climate. Pay equity legislation has gained significant traction at the state level, with laws such as California's SB 973, which replicates various components of Obama era EEO1 reporting with an emphasis on future enforcement of the law, as well as Colorado's Equal Pay for Equal Work Act and Illinois's SB 1480. Governments outside of the US have also recently enacted pay equity legislation, including the UK where large businesses must publish their pay data. Additionally, many countries throughout Europe are imposing sanctions and increasing regulations around pay data reporting. The EU Commission also just proposed a new pay transparency mandate requiring employers with 250 employees to report on the gender pay gap.

However, external pressure for employers isn't driven just by legislation. There's also a shift in focus from the investor community. Active investors are joining corporate boards and setting their sights on meaningful environmental, social and governance

(ESG) and DEI execution, making it impossible for organizations to ignore or simply maintain the status quo.

## It's Time to Be Proactive

For employers in areas governed by pay equity laws, conducting a thorough audit is vital to ensure that employers know what is contained in the reports they submit to the government before they do so. This allows employers to identify potential issues in advance and avoid incurring costly penalties. With other states sure to take their own steps to pass pay equity laws, being proactive in undertaking a pay equity audit when possible is the best strategy.

Pay equity audits are an important first step in addressing disparities in compensation and benefits among employees. Auditing is not only crucial to any DEI program and to increasing employee satisfaction but it also allows the organization to proactively correct any issues and potentially avoid legal consequences. This process covers a range of business objectives in protecting the company's reputation, retaining talented employees, and mitigating risks.

This article is a part of a series on how organizations can design a successful pay equity program. The next piece will explore how to address complexities in data in the auditing process and how to ensure accuracy and quality of data. Together the articles will provide insight into how organizations can create a sustainable framework for addressing inequalities.

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**Robert S. Sheen** is the Founder and CEO of Trusaic.



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# Creating More Equitable Succession Practices

## What we learned from studying Fortune 500 General Counsel Appointments

By Cynthia Lee Dow and Tina Shah Paikeday

CEOs and CHROs face a growing mandate to increase diversity on their executive teams, with a steady drumbeat of pressure from internal and external stakeholders, including investors, regulators, customers and employees. There is a good reason behind this pressure, as companies with thoughtful approaches to diversity, equity and inclusion (DE&I) see real payoffs. McKinsey & Company's multiyear research shows companies with higher proportions of women and ethnically diverse executives are up to 36% more likely to financially outperform their [peers](#). Similarly, Russell Reynolds Associates' survey of nearly 850 global executives found those at organizations with advanced DE&I strategies are about 30% more likely than others to feel highly loyal, innovative and set up for top performance.

Yet, the road to change often looks steep, given the current state of leadership. White employees comprise 78% of the total workforce, 88% of current CEOs, and more than 80% of most managerial roles that lead to CEO, according to 2020 data from the [US Bureau of Labor Statistics](#). This overrepresentation in top roles makes achieving equity hard for both practical and psychological reasons.

Within current C-suites, however, the general counsel role is one that shows visible progress. Women and ethnically diverse legal executives make up an increasing percentage of newly appointed GCs, based on Russell Reynolds Associates' analysis of the Fortune 500 over the past 8 years.

|                  | Pre-2017 appointments | 2017-2020 appointments | 2020 appointments |
|------------------|-----------------------|------------------------|-------------------|
| Gender diversity | 27%                   | 42%                    | 45%               |
| Ethnic diversity | 12%                   | 20%                    | 22%               |

What accounts for this positive momentum? Much of the progress can be attributed to robust grassroots networking and advocacy efforts within the legal community. Organizations such as the Minority Corporate Counsel Association and the Hispanic National Bar Association have done a great deal to raise the profile of their members, while supporting them through community-building and development opportunities. We also frequently hear about the personal generosity of current general counsels in mentoring and sponsoring emerging talent, both at their organizations and beyond. To reinforce these efforts across the legal ecosystem, some GCs require their external law firms to diversify the team that serves them.

Other corporate functions and business units could learn a lot from these laudable efforts. However, they are not enough to sustain progress in ensuring diversity among GCs or any other group of executives. Instead, CEOs and CHROs must look at the systemic and scalable actions their organizations can take to embed DE&I in their hiring, promotion and development practices.



In our work with clients, we recommend approaching C-suite diversity through the lens of improving succession and search processes. Key action items fall into three main categories:

### 1. Create strong internal development programs that begin early and emphasize equity

Forward-looking development programs are inherently beneficial to companies because they prepare the next generation of leaders well ahead of a planned succession and give the company more well-qualified candidates to consider when a leadership transition occurs. To increase the diversity of participants, however, current leaders need to take some additional steps.

- Reconsider who qualifies to be a leader and who is a high potential, acknowledging that we are influenced by our traditional cultural stereotypes
- Provide leadership development programs tailored to those from under-represented backgrounds
- Design sponsorship opportunities to pair underrepresented professionals with the senior people they

are different from and with whom they are unlikely to naturally form relationships

- Post open leadership roles internally and require each slate to have internal candidates
- Measure diversity statistics as part of the succession planning process

### 2. Manage an equitable external search process

When companies look externally for talent, they often rely too heavily on pedigree factors or recommendations from close sources that make a candidate feel like a safe choice but do not necessarily correlate to success in the role. To scope in as much relevant talent as possible, we recommend assessing talent on accomplishments and track records rather than checking certain boxes. Leaders can create a more diverse and qualified pool of talent in the following ways:

- Reconsider job specifications where possible, including industry experience, scope and scale of prior roles, previous experience in the role, or a degree from a particular type of university. Instead, focus on success factors in the role.

- Source broadly in the market, looking in particular to affinity groups and networks of diverse leaders.
- Assemble a diverse set of decision-makers for the search, providing representation to demonstrate the organization's commitment to diversity and inclusion.
- Provide leadership development programs tailored to those from under-represented backgrounds.
- Measure diversity statistics as part of the sourcing and hiring process.

### 3. Commit to building a more inclusive organizational culture that supports the retention of under-represented talent

A key question for leaders: What needs to happen for younger generations of under-represented talent to stay long enough to be considered for the GC role? To build a powerful retention strategy, leaders should:

- Proactively invite under-represented talent into the development process, with clear communication

about each individual's potential to grow and progress in the organization.

- Champion the importance of inclusive leadership across the organization and equip leaders with the tools and training to make it a reality.
- Create robust feedback mechanisms such as surveys and focus groups that allow leaders to hear honest responses from employees about what is working and what needs to be improved.

Changing cultural norms can be a challenging work, but it is also incredibly rewarding. Robust assessment, development and search processes maximize the talent pool and mitigate inherent biases, making it more likely a company will choose someone who brings what is needed to the role rather than relying on shortcuts. Ultimately, companies that strengthen their succession planning processes will not only make the executive selection less risky, they are also likely to see stronger leadership teams and cultures that fully leverage the talent of their people.

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**Cynthia Dow** is the Heads the Global Legal, Regulatory & Compliance Officers Practice and is a core member of the Consumer and Diversity, Equity and Inclusion Practices, as well as the Board & CEO Advisory Partners at Russell Reynolds Associates. Cynthia focuses on general counsel, chief legal officer, chief compliance officer and other board and corporate governance roles across a broad range of industries, including legal, consumer, industrial, technology, energy, sports and entertainment, healthcare, and financial services.



**Tina Shah Paikeday** leads the Global Diversity, Equity and Inclusion Advisory Services as a Senior Member of the Leadership & Succession team at Russell Reynolds Associates. Her recent work has included the recruitment of Chief Diversity Officers, the development of inclusive leaders and inclusive culture transformation. In this capacity, she has advised global diversity and inclusion councils and executive leadership teams on the development of operating models for the formation and governance of DE&I functions, data informed approaches to developing impactful DE&I strategies and recommended action steps and programs to achieve DE&I goals.



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# Diversity, Equity, And Inclusion: A Bridge From Risk Mitigation To Culture Change

3 concrete ways organizations can mitigate legal and strategic risks with DEI

 By **Alex Miller** and **Natasha Nicholson**

An effective diversity, equity, and inclusion (DEI) program requires an organizational commitment to increasing opportunities for everyone in the workplace, and particularly for individuals from traditionally under-represented or marginalized groups. Starting with the highest levels of an organization, these programs involve policies and practices, including training, that can help prevent discrimination and harassment issues before they begin.

As we learn more about the power of DEI programs, we are finding that they not only help prevent discrimination and harassment, but also help mitigate other strategic risks, while offering a number of long-term benefits. Through the change they bring to an organization's culture, DEI programs enhance collaboration and increase innovation, growth potential, and [profitability](#). Using risk management and compliance as a starting point, DEI can improve the overall organizational performance, particularly in the areas of innovation and relevance to customers.

## Preventing Discrimination and Harassment

Discrimination and harassment claims are costly to defend and resolve, and can be very disruptive



to an organization. DEI programs help prevent discrimination by increasing awareness of its more subtle forms. Discrimination laws prohibit employers from using protected characteristics like race, gender, and age as the basis of employment decisions, from hiring and firing to work assignments, opportunities for advancement, and other job benefits.

In many instances, however, discrimination arises from decisions that are not intentionally discriminatory, but are based on stereotypes and the biases that drive them. For example, a manager might decide not to offer a work opportunity that involves a significant amount of travel to a mother of young children, thereby limiting her opportunity for professional development and advancement. An effective DEI program will uncover the harmful effects of these biases and challenge decision-makers to avoid them.

*Harassment is a form of employment discrimination that violates Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, (ADEA), and the Americans with Disabilities Act of 1990, (ADA).*

—[U.S. Equal Employment Opportunity Commission](#)

DEI programs also help prevent harassment, which is a form of discrimination. According to [the 2016 Equal Employment Opportunity Commission \(EEOC\) task force report on workplace harassment](#), diverse workforces are at greater risk of harassment. Employers need a true commitment to respecting diversity backed by accountability at every level to address this increased risk.

## Going Beyond Compliance

Reducing HR risk around discrimination and harassment is only one part of why an organization should have a DEI program. Title VII of the Civil Rights Act of 1964, which “protects employees and job applicants from employment discrimination based on race, color, religion, sex and national origin,” a landmark legislation that has transformed American society profoundly. However, Title VII and other anti-discrimination laws have their limits.

As Supreme Court Justice Scalia recognized in *Oncale v. Sundowner Offshore Services*, Title VII is not “a general civility code for the American workplace.” 523 U.S. 75 (1998). Much of the exclusionary behavior that leads to inequality in the workplace is outside the reach of these laws, so to succeed with DEI initiatives, organizations have to go beyond compliance.

A DEI program and the education that goes with it can help managers and employees understand how their behavior fits within a larger cultural context, addressing both the moral basis of DEI initiatives as well as the business case for them. A critical part of embarking on a DEI journey is to help people recognize their own personal biases, and create a supportive environment where all employees are part of the solution.

## Addressing Unconscious Bias With Education

Education in the form of training that includes reality-based scenarios is key to supporting a DEI effort. It can help people to better understand others who are different from themselves and approach them in a more inclusive way. Research on the effectiveness of training shows that it can help everyone understand how others can experience the same workplace in very different ways. It can also build knowledge of unconscious bias—why it exists, how it manifests itself, and its impact—and develop practical skills to address it.

According to a [study](#) reported in the *Harvard Business Review*, research indicated that after DEI training, employees are more likely to “acknowledge their own racial biases, provide informal mentorship to racial minorities, and recognize the excellent work of their peers who were racial minorities.” Researchers went on to say that “[i]t appears that helping people recognize biases towards one marginalized group of people can have positive spillover effects on their attitudes and behaviors towards other marginalized groups.”

## Learning to Appreciate Our Differences

Experts in the field of diversity counsel organizations to help employees understand that *everyone* has biases that are based on their personal life

experiences. And by understanding and appreciating these differences, inclusivity can truly take hold. This approach applies not only to employees, but also managers.

Eric Ellis, CEO of Integrity Development Corp. and a member of the Society for Human Resource Management's (SHRM) Diversity & Inclusion Special Expertise Panel, [said](#) in a conference address that to be intentionally inclusive, HR managers must ask themselves, "How am I going to disrupt the unconscious bias throughout all the stages of our talent lifecycle?" and begin to recognize the need "to 'own' my own bias and create a psychologically safe environment where other people could do the same."

After DEI training, employees are more likely to "acknowledge their own racial biases, provide informal mentorship to racial minorities, and recognize the excellent work of their peers who were racial minorities."

—"[Does Diversity Training Work the Way It's Supposed To?](#)" *Harvard Business Review*

To ensure employees embrace diversity, equity, and inclusion, organizations have to help their people fully value and incorporate ideas they are not familiar with. As they understand biases better, a more inclusive culture can emerge, enabling more collaborative ways of working. That, in turn, creates the opportunity for increased productivity, motivation, and success for employees and their organizations.

## DEI as a Factor in Risk Prevention

At the same time that DEI education can create a more elevated culture, it can also help mitigate legal and strategic risks in a way that protects both organizations and employees. The reverse is also true—a lack of diversity and inclusion in an organization can *create* risk. In his [LinkedIn article](#), governance expert David Doughty makes the case that, "There is a growing view that a lack of diversity and inclusion in the workforce is a major strategic business risk," and adds that there is a "serious reputational risk, which will influence how stakeholders, including prospective and

current employees, customers and regulators" view organizations. He goes on to say that diversity and inclusion is "...a business risk that demands to be actively measured, monitored and managed."

*There is a growing view that a lack of diversity and inclusion in the workforce is a major strategic business risk.*

—[Corporate governance expert David Doughty](#)

## How to Mitigate Strategic Risks

The right approach can turn this negative into a positive. A successful DEI program, with a strong educational component, can mitigate strategic risks by reshaping cultural awareness and addressing inequalities in systems and processes, thereby creating a more equitable and inclusive environment that reverberates throughout the organization.

Here are some concrete ways by which organizations can mitigate their legal and strategic risks with DEI.

### 1. Reduce costly turnover: Use an inclusive approach to make all employees part of the solution

With education and training that takes a positive, all-inclusive approach, employees can get the tools they need to build trust, listen, recognize and avoid exclusive behaviors and micro-aggressions, and become empowered to amplify others' voices. That leads to an environment where people feel supported, safe, and comfortable—where employees can naturally become more engaged. And engagement is critical to avoiding high turnover, a major risk for organizations. According to a [Gallup report](#), "Highly engaged business units have 41 percent less absenteeism and 17 percent more productivity. Within high-turnover organizations, highly engaged business units experience 24 percent less turnover."

### 2. Avoid damaging interactions with customers: Help employees develop sensitivity and empathy

Examples abound of situations where employee interactions with customers took a bad turn around diversity-related issues. And much of this relates to an employee's ability to empathize with their customer.

According to Forrester's [research](#), "Empathy is critical yet elusive. Consumers are gravitating toward brands that prioritize people over profits. While nearly all businesses know the importance of showing customer empathy, most struggle to deliver it." With proper education and training, employees can learn to spot potentially sensitive situations and have the skills they need to manage them successfully.

### 3. Broaden a dwindling talent pool: Remove systems and processes that perpetuate biases

One of the toughest challenges for an organization can be addressing ingrained systems and processes that can create built-in biases. According to Angela Koch, CEO at U.S. Money Reserve in her [article](#) on Business.com, "Diverse workforces won't thrive when they are forced to follow procedures and processes that are not designed for their particular demographic.... It can be incredibly damaging and demoralizing to staff to have to interact with and use these systems or processes every day, which can lead to mass departures and, again, a high attrition rate."

For instance, some processes and systems may deny an equitable opportunity for advancement. Or certain hiring practices may have an inherent bias that might cause some people with diverse backgrounds to feel excluded. Removing these barriers helps retain existing talent and opens the doors to a more diverse talent pool.

All of the strategies above will also mitigate two other major organizational risks: reputational fall-out and

legal risks associated with diversity-related missteps. Once a company's reputation is damaged—either through public humiliation or with lawsuits over its practices—it can be very difficult and expensive for the organization to recover. In some cases, it may be impossible.

### Companies Are Committing to DEI

Many companies are starting to demonstrate the value they place on diversity, equity, and inclusion by taking concrete steps to include DEI in their plans. An [overview](#) of a [survey](#) by the Society for Human Resource Management (SHRM) reported that 62 percent of HR professionals responding said their "organization plans to take action to combat racial inequities." And according to [LinkedIn's 2021 Workplace Learning Report](#), nearly two-thirds (64 percent) of learning and development professionals globally—and nearly three-quarters (73 percent) in North America—report that their executives have made diversity and inclusion (D&I) programs a priority. HR risk and compliance professionals have an important role to play in this work.

As the case for DEI programs grows stronger, the realization of their power is starting to take hold. And as more companies see the positive results that DEI can create, by serving as a bridge from mitigating risk to effecting positive culture change, leading to increases in innovation, growth, and prosperity, others will follow suit. The need to press forward with DEI is as much a business imperative as it is a moral responsibility.

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# Why Your Company's DEI Efforts Must Include Employee Online Safety

Proactive steps organizations can take to mitigate online harassment

 By Rob Shavell

Proactive organizations already know that achieving [real progress](#) when it comes to attracting and retaining diverse talent is something that requires a long-term, comprehensive effort. However, while many businesses spend considerable time and resources on making their workplaces attractive and inclusive, underrepresented groups' digital identities are often neglected. As a result, well-meaning organizations can inadvertently let diverse talent down by ignoring what is an increasingly pressing concern—online harassment.

## Mitigating Online Harassment Is a Cornerstone of Modern DEI Efforts

For individuals of all ethnicities, genders, and religious identities, online harassment is far from an isolated experience. According to the Pew Research Center, at least [41% of Americans](#) have personally

experienced online harassment in the form of online abuse, sexual harassment, stalking, or physical threats. For individuals within underrepresented groups, being harassed online is an even more frequent occurrence.

The figures are frightening. Among LGBTQ individuals, [over 65%](#) have experienced online harassment, and as shown by the previously mentioned Pew Research Center study, over 60% of women reported being harassed online. At the same time, underrepresented groups such as Black and Hispanic Americans also have an above-average chance of encountering online abuse.

On a personal basis, these worrying statistics have a genuine impact on countless individuals. Ultimately, faced with a high likelihood of abuse, many opt to [self-censor themselves](#) for fear of further harassment.

## Business Leaders Cannot Afford to Ignore Online Harassment

Harassment doesn't just happen after office hours. With online threats ultimately able to permeate through all aspects of a person's life, victimized individuals within a marginalized group can have a particularly tough time within the workplace.

[Studies show that](#) online harassment is scarcely less impactful than in-person harassment when it comes to workplace performance and morale. For business leaders, this means that employees facing online abuse are not as present on the job, less productive, and ultimately, more likely to leave their role prematurely.

The move to remote working has [further exacerbated](#) the issue of online harassment. Writing recently in [The New](#)



[York Times](#), equity and inclusion expert Jennifer Brown poignantly highlighted the relative lawlessness of our increasingly digital lives, “Since the start of the pandemic, employees have felt as if online environments are the Wild West, where traditional rules do not apply.” In this environment, the onus is on businesses themselves to help keep vulnerable employees safe online.

### **Proactive Steps Organizations Can Take to Mitigate Online Harassment**

With online harassment a key concern for many of the individuals companies who are struggling to attract and retain, protecting employees from online harassment has a clear business case. In this light, for diversity-focused organizations,

leaving victimized employees defenseless is not an option. Instead, organizations should take concrete steps against online harassment of vulnerable employees by focusing on the three key pillars of employee online safety:

#### **1. Comprehensive anti-harassment policy**

A lack of a clear and transparent pathway for escalating concerns can be a significant impediment to feeling safe for victimized employees. Within an inclusive workplace, every employee needs to know where to go and who to contact when they are being harassed online.

On the other side of the coin, anti-harassment policies also have a role to play in ensuring that every employee is keenly aware that

harassing others, whether online or in person, will be met with a zero-tolerance response.

#### **2. Relevant training**

A clear goal for online harassment-focused training is helping employees take proactive steps, such as gaining awareness of how to use social media in a privacy-forward way, that decreases their potential exposure to online harassment.

However, training also has a vital role to play in highlighting the many forms that harassment can take. [Research shows](#) that recognizing online harassment can be a challenge even for individuals targeted directly. On one level, this knowledge gap can make escalating concerns within a workplace environment stressful for victims. On the other



hand, it can also give abusers the excuse of ignorance. Regular, relevant, and focused training plays a crucial role in remedying this issue.

### 3. Privacy protection

With the weaponization of personal information through [nefarious tactics like doxxing](#), now a significant driver of online harassment, offering solutions that keep personal information secure is a solid step every organization can and should take to keep employees safe.

Regardless of whether a harasser is someone they work with or someone entirely unknown, victims of online abuse are likely to see personal information like their home address, date of birth, salary, and marital situation used against them.

Mitigating this growing threat to your employees' personal safety, privacy-focused solutions

provide a multifaceted corporate benefit. By constantly working to remove an individual's personal information from data brokers (a leading source of victim information for malicious individuals), [employee privacy tools](#) constitute a powerful tool for fostering inclusion within the modern workplace.

### Final Thoughts

Empowering an organization to provide an inclusive, equitable, and diverse workplace is [not something that happens overnight](#). When it comes to forward planning, no growth-oriented business is likely to neglect the importance of digital technology and what happens online. Accordingly, the same level of priority needs to be extended to employees' digital lives.

As we spend more of our personal and professional lives online, providing safety-orientated solutions in the

digital environment will become increasingly vital. By doubling down on training employees, crafting effective policies, and providing proactive solutions, employers can mitigate the wave of online threats that often make achieving genuine diversity an elusive goal.



**Rob Shavell** is the Co-Founder and CEO of [Abine](#) / [DeleteMe](#).



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# President Biden Righted The Ship On Diversity; Will CEOs Act?

One of the most powerful questions leaders can ask is, “Who is missing?”

 By Karen Brown

On his first day in office, President Joe Biden signed an [executive order](#) reversing former President Trump’s mandate that federal agencies and anyone doing business with the U.S. government can abandon their diversity and inclusion programs. This is good news because, as I wrote in an [op-ed](#) for the Chicago Tribune last fall, Trump’s mandate was out of touch with reality and bad for business.

The even better news is that Biden’s order goes far beyond rescinding Trump’s diversity training restrictions. It establishes a blueprint for any CEO who wants to uncover the root causes of minority underrepresentation within the upper ranks of their organization and take steps to resolve them. The order echoes the systemic approach to diversity, equity, and inclusion (DEI) that I’ve long advocated, including:

## Conduct an Internal Review

Biden’s mandate gives government agencies six months to assess the extent to which their programs and policies block opportunities for people of color and other underrepresented groups. Corporations should follow suit.

One of the most powerful questions leaders can ask is, “Who is missing?” This extends not only to internal meetings and project teams but to customers. When

designing a new product or service, leaders need to ask, “Who are we developing this for?” and “Who’s not represented?” The answers can inspire meaningful action.

For example, executives at Fortune 500 bank didn’t see a need to focus on diversity because they were generating plenty of revenue with an all-white staff and customer base. But once the business banking division leader was shown the data about the markets the bank was ignoring, he appointed two ethnic minorities to start new business lines especially for the Black, Asian and Hispanic customers.

## Share Your Findings

Only 3% of Fortune 500 companies disclose the complete race and gender breakdown of their workforce, according to [Fortune.com](#). That’s because for many firms the numbers are embarrassing. But until leaders are willing to face reality, change is unlikely.

That’s why Biden’s order requires federal agencies to report the findings from their six-month assessment. It’s also why Nasdaq proposed [new rules](#) in December that, if approved by the SEC, would require Nasdaq-listed companies to disclose the diversity of their board members annually.



When sharing data, it's essential to resist the temptation to gloss over the real problem. For example, a Fortune 500 retailer noted in its diversity report that 45% of its workforce was Black and Hispanic. However, a closer look showed that most of those workers held lower-level positions in distribution and logistics. Disclosing DEI data segmented by things like job level provides a level of transparency that shows you're taking the issue seriously and willing to be held accountable.

## Research Best-in-Class Practices

Progress in getting more women and people of color into corporate leadership has been notoriously slow. In the last 30 years, the number of black CEOs running Fortune 500 companies has increased only 0.5% despite all the DEI initiatives corporations have embarked on.

Biden's order not only requires federal agencies to report the findings of their internal reviews, but also to work with the White House's Office of Management and Budget (OMB) to identify best practices for creating greater equity and make recommendations for implementing them.

Corporate leaders can look to other companies to see who's making meaningful progress in this area, identify the actions they're taking, and find ways to adapt those policies and procedures to their own organizations.

## Allocate Company Resources to Increase Diversity, Equity, and Inclusion

Under Biden's order, once federal agencies identify the barriers to equity, they must allocate agency resources in ways that promote diversity and fairness. In other words, once they know what the pain points are, they need to invest in easing them. This is easier said than done. Too many U.S. companies are sincere in their commitment to DEI but stuck in their ability to make progress. This is where data can be helpful.

For example, as per Burning Glass Technologies study, only 5% of actuaries are Black or Hispanic, but 14% of risk managers are people of color. Because these positions have overlapping skills, turning one of these

risk managers into an actuary would require training them to acquire a few additional skills, such as SAS and python.

Similarly, companies can use data to identify parts of the country with higher percentages of minorities in the positions for which they are recruiting. For example, in the Miami job market, 55% of software developers are Black or Hispanic, followed by Memphis with 43% and Atlanta with 31%.

## The Time Is Now

The proper measures for solving a lack of diversity problem will vary by organization. What's important is for corporate leaders to use a systemic framework like Biden's. By acting now, decisions to appoint women of color like Kamala Harris to leadership positions just might become yesterday's story.



**Karen Brown** is the Founder & Managing Director of Bridge Arrow. With an understanding born of over 25 years in the corporate world, Karen advises global companies on how to drive growth and profitability by promoting diversity and inclusion in their organizations. Her forthcoming book, ***Gender Equity: How Women Leaders Make Companies Stronger, Smarter and More Profitable***, based on in-depth interviews with both female and male executives, explores the business advantages of gender equity.



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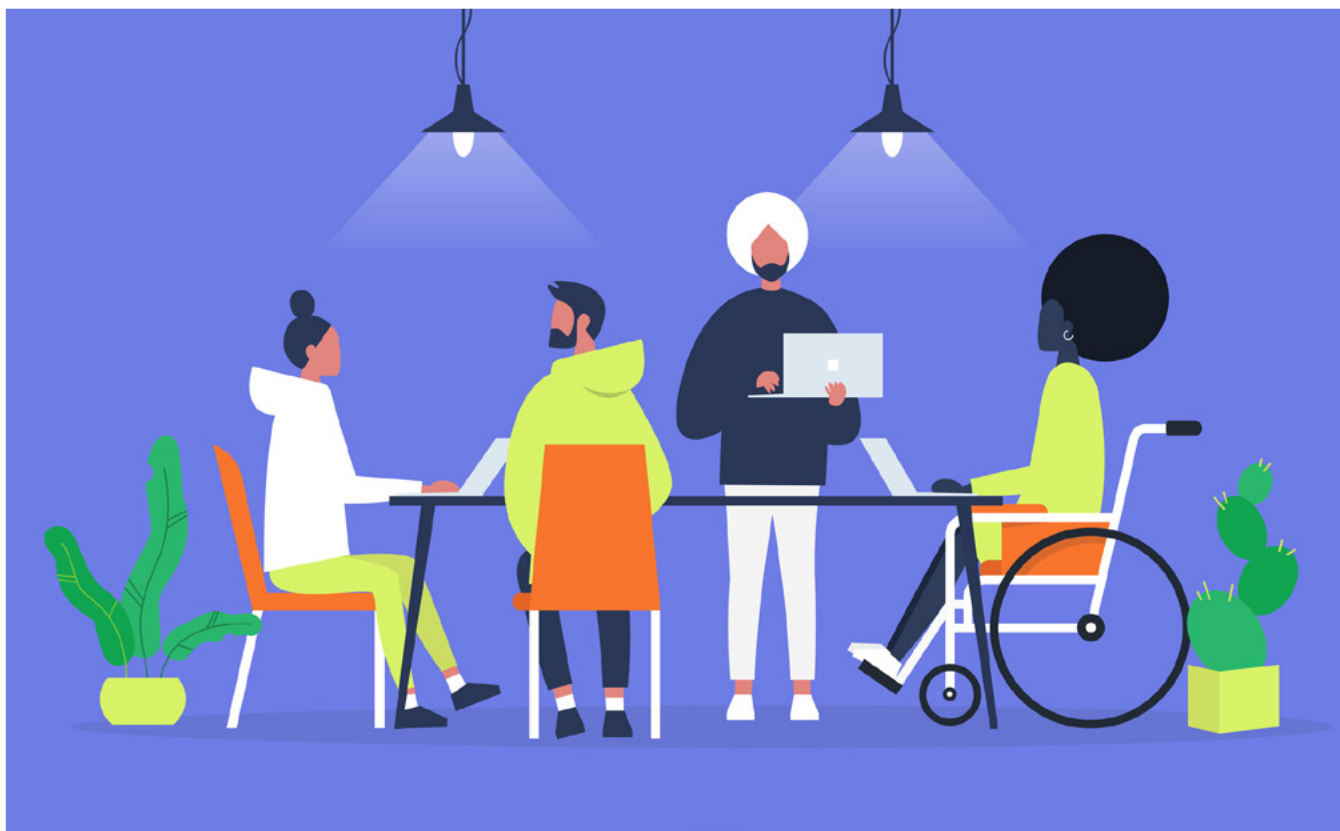
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# Inclusive Workplace: How To Build One

A look at how successful UK industries are failing racial inclusivity and how to combat it



By **Lucy Desai**

Time and time again, businesses have shown that those who have a diverse workforce perform the best. So why are so many companies in the UK far from achieving an inclusive and diverse workforce? Research has found that [less than two per cent of senior management roles](#) in business are held by Black employees. In fact, there has been little change,

with there being only 1.5 per cent of Black people in senior roles in 2014.

Companies that create a comfortable and inclusive workplace tend to attract and retain the top talent. After all, everyone wants to work where they're valued and will be treated with respect – companies must



keep the best workers by promoting a positive work culture. Diverse policies will not only help attract a talented workforce, but they will help combat offensive and close minded decision-making, deliver unique perspectives from people from all walks of life, and help innovate the business to become better and more competitive.

For employees to flourish and grow, they must feel comfortable. This can be supported by the business with policies and decisions that don't alienate minorities. Sadly, not all companies do this – for example, Jaguar came under fire following an [employment tribunal](#) after a gender fluid employee was harassed at work and not given support.

The [Equality Act 2010](#) was created to introduce a minimum standard of diversity and inclusion, however, a genuine diversity policy goes beyond legal compliance and actually changes the work lives of minorities while encouraging their wellbeing. Research by McKinsey found that those with more diversity perform better financially. The least diverse companies, both from a gender and ethnicity point of view, [are 29 per cent more likely to underperform financially](#).

Here, we take a look at two industries with low levels of diversity – accounting and tech – and how we can combat this.

## Accounting for the Disappointing Statistics

The number of Black, Asian, and minority ethnic (BAME) directors at FTSE 100 firms [decreased from nearly nine per cent in 2018](#) to 7.4 per cent in 2019. 47 FTSE 100 companies still have no ethnic minority people at board and executive director level.

In the accounting industry, “the Big Four” is the name given to the largest companies. They are crucial in innovating how we work and invest. Last year, the Telegraph reported shocking and disappointing diversity statistics, with [only 11 Black partners of around 3,000 in total](#).

That translates to less than 0.4 per cent of the total number of partners, compared to 3.3 per cent of the total UK population.

While it seems that white men dominate leading roles in the accounting industry, there is only so far these companies can go before they plateau due to a lack of diversity and different ways of thinking.

## Numbers in Tech

The state of minorities in tech is a sad affair. Although there is a combined effort across industries to achieve proportional representation and equal treatment of minorities in the workplace, BAME

workers are still underrepresented, underpaid, and often discriminated against. The tech industry relies on innovation and creativity, but how can it with a workforce dominated by white men?

According to Hired, 66 per cent of tech workers in the UK identify as white, whereas three per cent are Black, 17 per cent Asian, and two per cent Hispanic.

## Start With the Board

Unfortunately, a culture of promotion exists in today's business landscape that excludes qualified minorities from promotion. For example, these candidates might not be part of the social network that those in senior roles and directorships are part of when considering candidates. Often, executives play it safe by hiring similar candidates to those they already have, having the same white males hired over and over again. Directors and executives should improve their recruitment efforts and expanded the pool of diverse candidates they are looking into.

The Norwegian Government introduced legislation in 2006 to appoint a minimum number of female executives to tackle the issue of failing gender inclusivity. Because of its success, Spain and France are looking to introduce something similar. Something similar could be considered in the UK to encourage directors to hire minority directors.

## Training for the Workforce

It's important to remember that racism in the workplace must also be combatted to create a safe and inclusive environment. Racism isn't always overt with blatant remarks and aggression. It can be covert and displayed through microaggressions and prejudice. This can be just as damaging for minorities in the workplace, who may feel uncomfortable raising the issue to their colleagues and peers. Addressing the way people think can be done through inclusivity and diversity training at work so colleagues know what isn't acceptable and how their behaviours and words can be offensive. People need to be called out on their biases and learn to become better. In the 21st century, there is no excuse for racism and microaggressions.

Creating targeted training for emerging leaders who could potentially serve as directors in the future could help those with the potential to grow and progress for roles in the future. This makes workers feel involved, rather than being ignored and feeling forced to move jobs to seek better opportunities. Although there has been some progression over the decades, there is a long way to go and the conversation isn't ready to end yet. With pressure from the public and workforce, things could change.

It's important for industries to learn to be inclusive, not just to generate more profit but to encourage others to follow suit in helping create a new normal in the world of work. Business will stagnate when everyone thinks the same way and is limited by their own experiences. Employing workers from a diverse background and demographic will add new perspectives – an invaluable resource for companies. Sectors should take a look at what the [top 50 inclusive companies](#) are doing to adopt a culture of inclusivity and diversity.

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