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The Changing Face of Diversity and Inclusion: **Then, Now, and Tomorrow**

April 2009

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Introduction

Background

In 1998 Linkage partnered with Novations Group, Inc. to undertake a client-based research project focusing on the issues, challenges, and best practices associated with implementing a successful diversity and inclusion initiative. Over the past 10 years, the results of that study have constituted a blueprint for organizations—both public and private—committed to building and sustaining a diverse and inclusive work environment in which all employees can maximize their potential and contribute to organizational success.

As a follow-up to that path-breaking study, Linkage and Novations came together again in 2009 to conduct an even more comprehensive study highlighting among other things the changes, successes, and new challenges in the field of diversity and inclusion that have occurred over the past 10 years. This report presents an in-depth analysis of the key findings from the 2009 study along with relevant recommendations to help organizations continuously improve their diversity and inclusion initiatives.

Objectives

The major objectives of the 2009 study were to assess the current state of diversity and inclusion—what’s succeeding, what challenges still exist, and what new issues are emerging. Of particular interest was the extent to which organizations have been able to integrate diversity and inclusion into their broader cultural values and behaviors. The specific areas that we focused on included the role of leaders, accountability, and efforts to measure the progress and results of diversity and inclusion initiatives. In terms of newly emerging trends, we were particularly interested in two topics—generational differences and globalization. A related objective of the study was to use this current data to develop actionable recommendations that organizations can implement to make progress and achieve their diversity and inclusion goals.

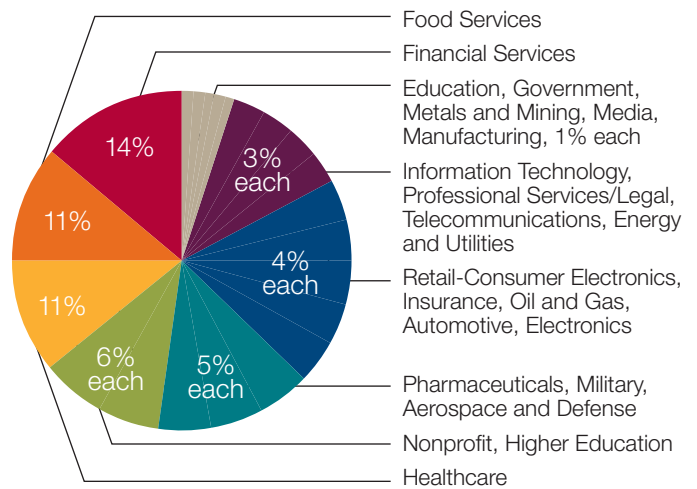
Methodology

To accomplish these objectives, we combined “the best of both worlds” by collecting and analyzing both quantitative and qualitative data. First, we gathered quantitative survey data from a sample of Novations’ and Linkage’s organizational clients and then conducted qualitative telephone interviews with an additional group of clients.

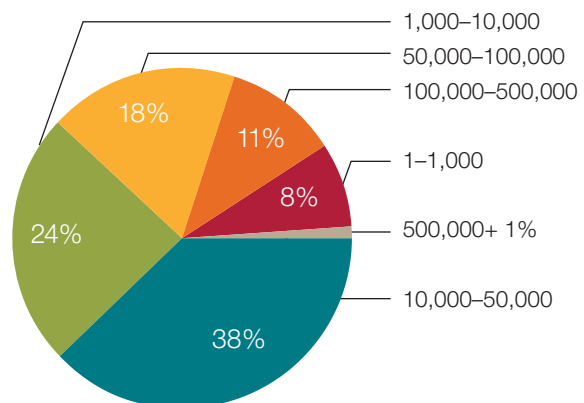
Participants

The study involved Human Resources and Diversity and Inclusion professionals from a variety of organizations who participated in an online survey and one-on-one qualitative interviews. Participant organizations included:

Industry Participants



Employee Size



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Executive Summary

Objective

The Changing Face of Diversity and Inclusion: Then, Now, and Tomorrow study was designed to measure the changes, successes, and continuing challenges in the field of diversity and inclusion over the past 10 years. The study compared findings from the original study, conducted in 1998, to the 2009 study findings. Key findings are listed below.

Key Findings

Study participants discussed the general evolution of diversity and inclusion in terms of three interrelated areas:

- 1. Inclusion has become an integral part of the discussion, with an emphasis on building an inclusive organization where everyone can succeed.**
- 2. Diversity has been broadened beyond gender and race/ethnicity to include all types of differences—visible and invisible.**
- 3. A movement from an emphasis on legal compliance to understanding the business case for diversity and inclusion has occurred.**

The research in both 1998 and 2009 identified four major steps in the journey toward building and sustaining a culture of diversity and inclusion in today's organizations, and we have examined the findings through this lens:

- 1. Building a Foundation**
- 2. Leading Diversity**
- 3. Designing and Measuring Diversity**
- 4. Creating a Culture of Inclusion**

The study outlines successes, challenges, and recommendations for the first three steps and for the fourth step identifies developing trends along with initiatives and recommendations to address them.

1. Building a Foundation

Successes

For organizations focused on **building a foundation** successes include:

- The implementation of infrastructure—diversity councils and employee resource (or business) groups.
- Education and training to create a common language and understanding and to provide necessary skill building, especially for managers.
- The integration of diversity and inclusion into the overall business plan and related strategic initiatives.

Challenges

Challenges to successfully **building a foundation** include:

- Insufficient understanding and support of the business case, as well as a lack of general awareness about diversity and inclusion.
- The current economic crisis, which has resulted in limited resources, lack of accountability, and resistance to change.

Recommendations

- Develop the business case that is relevant for your organization and communicate it widely. Use every opportunity to reinforce the business case and gain the buy-in of all employees, especially leaders and managers.
- Assess the effectiveness of your diversity and inclusion infrastructure. Make necessary changes to ensure that the mission, roles, and accountability are clear and that the goals are being met.
- Use innovative strategies to maximize the development and success of underrepresented groups—internal mentoring programs, challenging assignments, and participating in external leadership programs. Track the results of these activities.

- Operationalize diversity and inclusion behavior-based competencies, provide competency-based training for skills acquisition, incorporate these competencies into performance management, and establish real accountability similar to other competencies relevant to business success.

2. Leading Diversity

Successes

The most compelling success stories for organizations focused on **leading diversity** occurred where leaders truly understood the business case and were actively engaged through their visible behavior in all aspects of diversity and inclusion. Successes include:

- Participation in formal mentoring programs and sponsoring women and people of color.
- A focus on tracking the quality and quantity of assignments that are given to underrepresented groups to promote their career success.
- Leaders treat diversity and inclusion as they would any other strategic business issue.

Challenges

Challenges to successfully **leading diversity** include:

- Leaders talk about diversity and may give their written commitment, but do not demonstrate their real engagement.
- Even when executives support diversity and inclusion, middle managers and supervisors may not. As a result, interventions do not get implemented successfully at local levels.

Recommendations

- Share “best practices” from this report and other data with leaders to help them understand the critical role they must play in actively championing diversity and inclusion.
- Involve leaders in the development of underrepresented groups through one-on-one, group, and/or “reverse” mentoring.

- Set a standard for the amount of time (weekly, monthly, quarterly) that leaders should spend on diversity and inclusion activities.

3. Designing and Measuring Diversity

Successes

Participants agreed that **designing and measuring diversity** was the most challenging of all four steps. Nevertheless, several organizations were making progress in this area. Successes include:

- Cost of turnover analysis conducted.
- A demonstration of the correlation between employee inclusion survey scores and innovative cost-cutting ideas.
- Documentation of the impact of employee resource groups teaming with sales representatives on increased sales.
- A demonstration of the correlation between employee loyalty survey ratings and productivity

Challenges

Challenges to successfully **designing and measuring diversity** and inclusion include:

- The difficulty in isolating the impact of specific diversity and inclusion initiatives on business outcomes.
- Many if not most diversity and inclusion initiatives do not have a measurement component built in that starts with concrete baseline data and tracks progress as well as documenting results.

Recommendations

- Measure visible management behavior through 360 feedback and integrate the results into performance management, including rewards.
- Gather baseline data before any major initiative, and build a measurement component into all initiatives to monitor progress and document results.
- Whenever possible tie diversity and inclusion results, either directly or indirectly, to business outcomes. Use this report and other data for “best practices.”

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4. Creating a Culture of Inclusion

This fourth step acknowledges that diversity and inclusion constitute an evolving process with new issues and trends emerging over time. Because the majority of organizations are only beginning to embrace this step, the study did not identify any consistent successes. Rather, the research focused on two developing trends that are most directly impacting the creation of a culture of inclusion—globalization and generational differences—and the challenges they are currently presenting.

Emerging Globalization Issues

A major issue with globalization is the need to source and develop global talent in the face of language, cultural, and legal differences. Different forms of exclusion exist in other countries, sometimes as part of the culture. For some participants, the biggest challenge was balancing continuity in their organization’s policies, procedures, and core values while respecting and adapting to cultural differences when necessary.

Globalization Initiatives

Some organizations plan to meet these challenges by providing cultural competency training, by customizing training and the language in which it is presented according to the audience, and by incorporating a cross-cultural component to all diversity and inclusion training.

Globalization Recommendations

- Include multicultural issues in diversity and inclusion initiatives. Explore what “diversity” and “inclusion” mean and would look like in other cultural contexts.

- Provide necessary training and skill building in cultural competencies for employees who are doing business with representatives from other global cultures.

Emerging Generation Issues

Common themes regarding generational differences focused on the key differences between the “Generation Ys, or Millennials” and the “Baby Boomers”: work ethic, expectations regarding work flexibility, communication style, and the use of technology. Such differences made collaboration and teamwork difficult, with older employees feeling undervalued and younger employees feeling micromanaged. Another generation-related challenge is the fear of a “brain drain” as many older employees retire. Conversely, other participants expressed the fear that, because of the economic downturn, people would retire later, thus limiting advancement opportunities for younger employees.

Generation Initiatives

To address these challenges, several participating organizations are sponsoring activities involving both younger and older employees to help build mutual understanding and positive working relations. Others are establishing Gen Y Employee Resource Groups.

Generation Recommendations

- Explore flexible scheduling options to meet the needs of Gen Ys as well as older employees who want to phase into retirement. For the latter, make part-time work an option.
- Pair up Gen Ys with older employees for knowledge transfer as well as to build mutual understanding and respect.

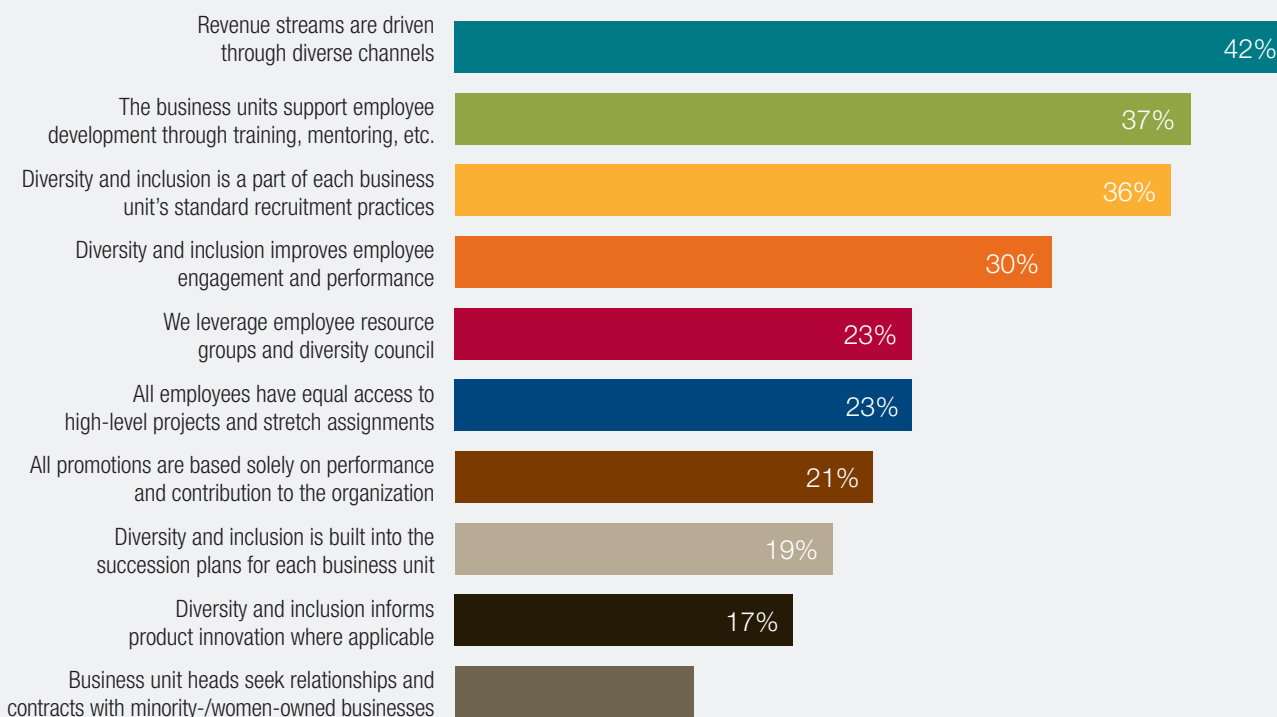
1 Building a Foundation

Evolution over the Past 10 Years

With the 1998 research study as our baseline, one of the first questions we asked participants in both the survey and interviews was “What has changed in the field of diversity and inclusion over the past 10 years?”

Most respondents agreed that organizations have moved away from an emphasis on legal compliance to addressing diversity in terms of the business case. For example, 73% of all survey respondents either “agreed” or “strongly agreed” that their diversity and inclusion initiatives were seen as a competitive advantage. They also rated the extent to which their diversity and inclusion initiatives were aligned with business goals as presented in Chart 1.

Chart 1: **How aligned are diversity and inclusion initiatives with business goals?**



At the same time, however, some interview participants acknowledged that “proving” the business case could be a challenge, especially to those managers and leaders who had a strictly bottom-line and short-term focus.

“It’s gone from compliance to emphasizing the business case. In the past it was limited to Affirmative Action with numbers being reported. Now, it’s seen as a way to grow the business, a bottom-line issue.”

“It’s now framed in terms of the business case, but some managers want proof and sometimes that’s not easy to provide.”

Most survey and interview participants also indicated that there is now a greater emphasis on inclusion, with organizations understanding that while it’s necessary to attract diverse talent, this is not sufficient to ensure that employees remain and thrive. Therefore, along with effort to recruit and hire diverse talent, organizations are implementing initiatives to build and sustain an inclusive work environment in which all employees have fair opportunities to contribute and succeed.

“Language has evolved. We’ve come from talking about diversity to coupling ideas of diversity with inclusion.”

“It’s more strategic and integrated into the business: talent acquisition and talent retention.”

Another change discussed by most participants was that the concept of “diversity” itself had been broadened beyond gender and race/ethnicity to include all types of differences—visible and invisible. These include but are not limited to sexual orientation, age, disability, organizational level, education, language, and family status. At the same time, several participants noted the caveat that exclusion-based race/ethnicity was still an important issue that should be addressed.

“We now include the invisible aspect of diversity—sexual orientation, work style, regional differences, organizational level. We’ve moved to be more appreciative of all these differences.”

“Broadening diversity is a good and bad thing because now it’s easier to ignore issues of racial representation that continue to plague a company.”

Finally, many people said that greater leadership support and active involvement in diversity and inclusion initiatives exist today than did 10 years ago, especially among those leaders who understand the business rationale and benefits.

“A huge shift in leadership support and cultural integration supported by business indices.”

“It’s on the radar screen of senior management and included in their business discussions.”

Impact of This Evolution on Organizations: Internal and External

We then asked participants what impact this evolution in the field of diversity and inclusion was having on organizations—both in terms of their internal dynamics and their relationship with the outside world. Since we agree with the participant who said, “That would depend on the organization,” we asked people for broad trends based on what they’ve observed, heard, read, and experienced.

Internal Dynamics

The most common themes cited by participants included the perception that diversity and inclusion are becoming a central focus in organizations rather than being viewed as an “add on” to Human Resources. For example, many organizations have a Diversity and Inclusion Department headed by a Vice President or at least a Director of Diversity who often reports to the top leaders of the organization and/or a companywide Diversity and Inclusion Council.

“We used to be part of HR, but now we have our own Diversity Department with a Director, a budget, and more legitimacy.”

“Typically, organizations have some type of diversity council that reports to the C Suite.”

Going even further on the evolutionary path, other participants said that, rather than constituting just one centralized department, diversity and inclusion were becoming more mainstream and integrated into all aspects of the business. In some cases that meant that there were separate Diversity and Inclusion Departments and/or Councils in various business units, functional groups, and locations. It might also be demonstrated through integrating diversity and inclusion into all educational offerings rather than having separate training/educational programs devoted to this topic.

“Internally there used to be a separate Diversity Department. Now diversity is included in other departments. It’s not a stand-alone.”

“Diversity has been mainstreamed in many organizations.”

Other internal changes that participants discussed included the perception that there is more diversity at management and leadership levels today—as a result of both recruiting and talent development/sponsorship initiatives.

“Organizations that have been at this a while and are successful have a ‘different face’ including their leadership. That’s what many people look at first when assessing a company’s commitment to diversity.”

Many people emphasized the importance of employee resource groups and their evolution over time from “affinity group” social organizations to business assets. Indeed, in some organizations they are called “employee business groups.”

“Employee resource groups are involving more employees in the business. For example, they are helping their organizations understand diversity and brand it in advertising and recruiting.”

In another critical area, several participants agreed that there is a growing understanding that inclusion promotes high engagement among employees and can maximize their productivity.

“Many organizations are making the link between engagement and inclusion and even have engagement surveys with many items directly related to feeling valued and included.”

Finally, people noted the impact that this evolution has had on employee expectations. In their view, many employees—especially younger ones—now have the expectation that diversity and inclusion are part of the culture of their organization.

“New, young employees come in with that assumption. If they find it’s not there they are likely to leave.”

External Dynamics

Here the most prevalent theme was that organizations have become more aware of diversity in the marketplace. The result is an emphasis on capturing and retaining diverse markets, which in turn means understanding and satisfying the requirement of diverse customers.

“Companies often lead with a diversity message. It’s important to customers.”

“CEOs are paying a lot more attention to diversity and inclusion. They recognize that changes in the marketplace mean that they will be at a competitive disadvantage if they don’t embrace D&I.”

Also, with diversity increasing at a rapid rate in the wider society, organizations are, by necessity, developing strategies to recruit, hire, and retain talent from diverse groups.

“Retention and hiring efforts link the outside with the inside and are critical in most organizations that understand the need for diverse talent.”

To achieve the goals outlined above as well as meet the demands and expectations of their diverse employees and customers, organizations are becoming a “presence” in the outside world by engaging in socially responsible activities in diverse communities. Activities include, but are not limited to, selecting vendors that reflect diversity in the wider community and sponsoring employees who want to volunteer for social action organizations and events.

“Organizations are developing a positive profile in the community that helps retain customers and employees. Employees have a sense of pride based on these activities.”

Several participants also noted that the external marketplace is now a global marketplace, which has resulted in a growing awareness of cultural differences as part of diversity along with the need to understand these differences when doing business outside the United States.

“We didn’t really talk about cultural competency 10 years ago, but it’s a fast growing aspect of diversity that companies doing business internationally have to address.”

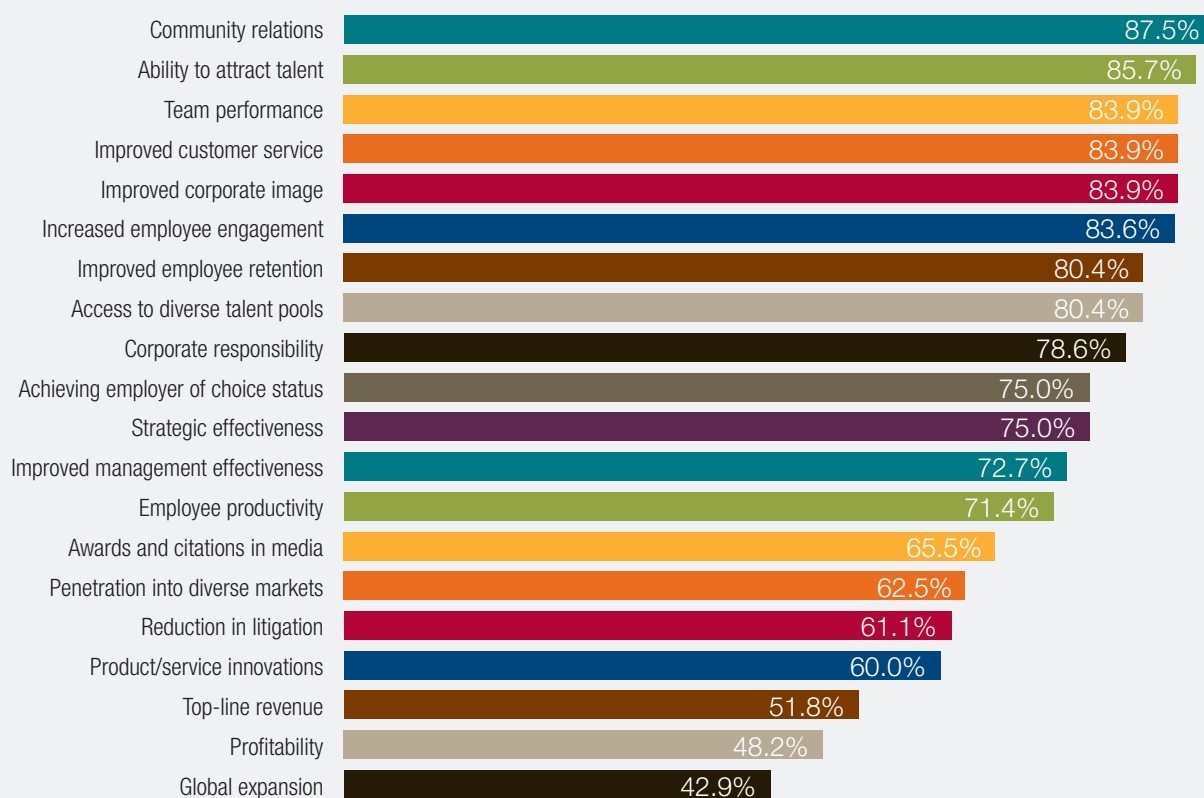
Impact of Diversity and Inclusion Initiatives

Survey respondents were asked to rate the impact of diversity and inclusion initiatives in their organization on several different items. Chart 2 shows the percentage of survey respondents who indicated a positive impact for each item.

Most Successful Initiatives

When survey respondents were asked what their most notable successes were, the most frequently cited responses included training and education along with a cultural shift toward inclusion.

Chart 2: Percentage of survey respondents indicating a positive impact for each item.



Similarly, interview participants were asked to describe those initiatives that were most successful in terms of moving them closer to the full integration and internalization of diversity and inclusion into their organizational culture.

The most frequently mentioned initiative was the diversity council, which was viewed as a key infrastructural component that provided legitimacy, visibility, focus, resources, and support for other activities.

Participants described different forms that diversity councils could take, each with its own advantages. The most common form was the centrally located diversity council, which included an organization’s leaders, who often

created the organization-wide diversity and inclusion strategy, established accountability, and served as champions for the initiatives.

“We have a diversity council with leaders from across the organization immersed in what diversity is all about. They communicate, set expectations, and work to internalize it down through their respective organizations.”

Others talked about diversity councils located at different sites or in different business units, with local leaders and other key individuals (typically managers) serving as members. The intent was to “decentralize” the councils and better ensure that they focused on those issues and concerns closer to the people whom they represented. In some cases these decentralized councils reported back to a central leadership council.

“We have regional diversity councils, so work is not done only at the top of the company. We help the regions develop ROI numbers to show the value of diversity and inclusion.”

“There are diversity councils in each of our primary organizations. The executive and management members take the Corporate Strategy and make it their own. For example, what does ‘recruiting’ mean in my organization? They come up with plans to make it their business’s strategy.”

Several participants who didn’t specifically mention diversity councils also cited the decentralization of diversity and inclusion as important to their success.

“The biggest factor in our move toward internalization has been the decentralization of diversity. Five years ago the only ones with a direct focus on diversity were diversity practitioners in HR. Now we are in each business. The CEO of each business is a champion for D&I.”

The second most common initiative discussed was the employee resource (or business) group. Although, in most cases, these groups are open to anyone who wants to join, they are organized around key aspects of diversity. Most common were women’s resource groups as well as groups based on race/ethnicity, especially African American. But some organizations also had LGBT employee resource groups as well as groups based on age, disability, nationality, marital/parental status, and other differences deemed significant.

“We have a Women’s and African American Resource Group, and, because they’ve been so successful, we are adding on six additional groups in 2009.”

As a key component of the diversity and inclusion infrastructure, employee resource (business) groups afford their members visibility and opportunities to network inside as well as outside the organization. In some cases they also sponsor key initiatives for their members, such as mentoring, training, and other talent development resources. Many of these groups have a charter that clearly articulates their role in supporting the business as well as group members. Several examples were given illustrating the business contributions that these groups were making.

“We have employee affinity groups with executives championing the work they do. They’re involved in recruiting, mentoring, and community activities.”

“Our employee business groups have partnered with sales in women’s and African Americans’ markets with positive results.”

The third initiative that participants discussed as making the greatest contribution to integration and internalization was diversity and inclusion training—both manager and individual contributor. As they described it, the training provided all employees with a common language and understanding of diversity and inclusion along with special insights and skills for managers and supervisors to help them build an inclusive work environment. The training was said to be particularly powerful when it included open and frank dialogue about sensitive issues, and when the dialogue was continued beyond the training.

“Inclusion training is being offered to provide managers with the tools and skills they need to more effectively position people for success. They are also addressing negative treatment.”

“We have focused on the implementation of effective training to provide opportunities to dialogue around difficult topics and develop the skills to deal with them. One topic is ‘privilege.’ It’s sensitive, so we’re very careful on how we structure the dialogue.”

The fourth most frequently mentioned initiative was structured employee data gathering followed by feedback and action plans.

The data gathering often took the form of employee surveys that focused on diversity and inclusion issues or, as in the case of “Engagement” or “Loyalty” surveys, had at least several items directly related to diversity and inclusion. Such data provided organizations with valuable information about problem areas as well as existing strengths—information that helped them decide where they should focus their improvement efforts. It also constituted important baseline data against which changes could be documented. A key aspect of what participants described, which significantly contributed to the importance of this initiative, was the feedback that employees received and the action plans that followed.

“We’ve made a significant investment in a comprehensive needs assessment to supplement existing data and better understand our current situation and what next steps should be. We have defined a strategy and are now executing actions.”

“The first step we took was to do a current assessment of where the company was. This allowed us to learn more about the culture and develop a strategy that could be effectively integrated into that structure.”

Fifth, many participants indicated that a key factor contributing to integration and internalization was the fact that diversity and inclusion activities were incorporated into broader business strategic planning

and related initiatives. Thus, from the top down, diversity and inclusion were treated as business issues. Related to this was the active involvement of leaders in all aspects of diversity and inclusion, which some people cited as essential to the successes they had experienced.

“Today diversity ties back to our business strategy, and our leaders make sure it’s always in alignment.”

“We are always looking for opportunities to build inclusion into our normal business practice. Business as usual includes diversity and inclusion.”

“We emphasize diversity and inclusion in our branding and have advertisements in Black Enterprise and Diversity, Inc.”

The sixth most common issue that people related to internalization was the fact that their diversity and inclusion strategy was aligned with existing organizational values and principles. When employees understood how diversity and inclusion were integral aspects of the values and principles they embraced, then their buy-in and active support were more easily obtained.

“Our corporate values are key. We really hold ourselves accountable, and they are reinforced over and over again. We have subpoints that are explicitly related to diversity and inclusion.”

Other initiatives that some participants felt contributed to integration and internalization included special events focusing on diversity and inclusion and proactive communication venues—for example, all-staff forums, a diversity magazine, lunch speakers, a diversity section on the organization’s intranet, webinars, and videos.

“We have ‘lunch and learn’ sessions every month with a guest speaker from the outside or a video focusing on a specific diversity and inclusion issue.”

“Our town hall meetings always include information on diversity and inclusion initiatives presented by our leaders or senior management.”

Greatest Challenges

Once participants discussed their successes and what contributed to them, we turned to their greatest challenges. **The most frequently mentioned issues among survey respondents included the lack of diversity representation and insufficient management support.**

For interview participants, the most common barriers described were the lack of understanding and awareness of what diversity and inclusion really mean, and why time should be spent on these issues.

“Our senior leaders don’t understand the need for it. They don’t understand inclusion. What managers and supervisors typically say is, ‘I don’t have a diversity problem.’”

“Not every leader is a champion. When they are ambivalent, you don’t see the same momentum in their business.”

Related to the above was a limited definition of diversity (race and gender) along with employees equating diversity with Affirmative Action and/or EEOC. In some cases a fear of “reverse discrimination” accompanied these feelings.

“White men in particular are afraid that they’re going to lose out.”

According to many participants, another challenge they face is the difficulty in showing a direct link between diversity and inclusion, on the one hand, and bottom-line business results on the other.

“Our leaders are only interested in the bottom line. If you can’t show that, then you can’t engage them.”

“We haven’t been able to show a measurable impact on the bottom line.”

Others talked about the lack of necessary resources to successfully plan and implement diversity and inclusion initiatives. These resources included money, time, and people and, as several noted, this challenge has significantly increased with the recent economic crisis.

“We had several initiatives that we were going to roll out in 2009, but because of the layoffs and other cutbacks they’ve been put on hold.”

“Some people have openly argued that we shouldn’t be spending money on diversity and inclusion when people are getting laid off and budgets cut.”

Finally, many participants attributed their greatest challenge to a basic resistance to change. This was even more pronounced in companies that were successful and where the need to do things differently was not apparent.

“I’ve heard a lot of people say, ‘We’ve always done it this way, and look where we are. So, why change?’”

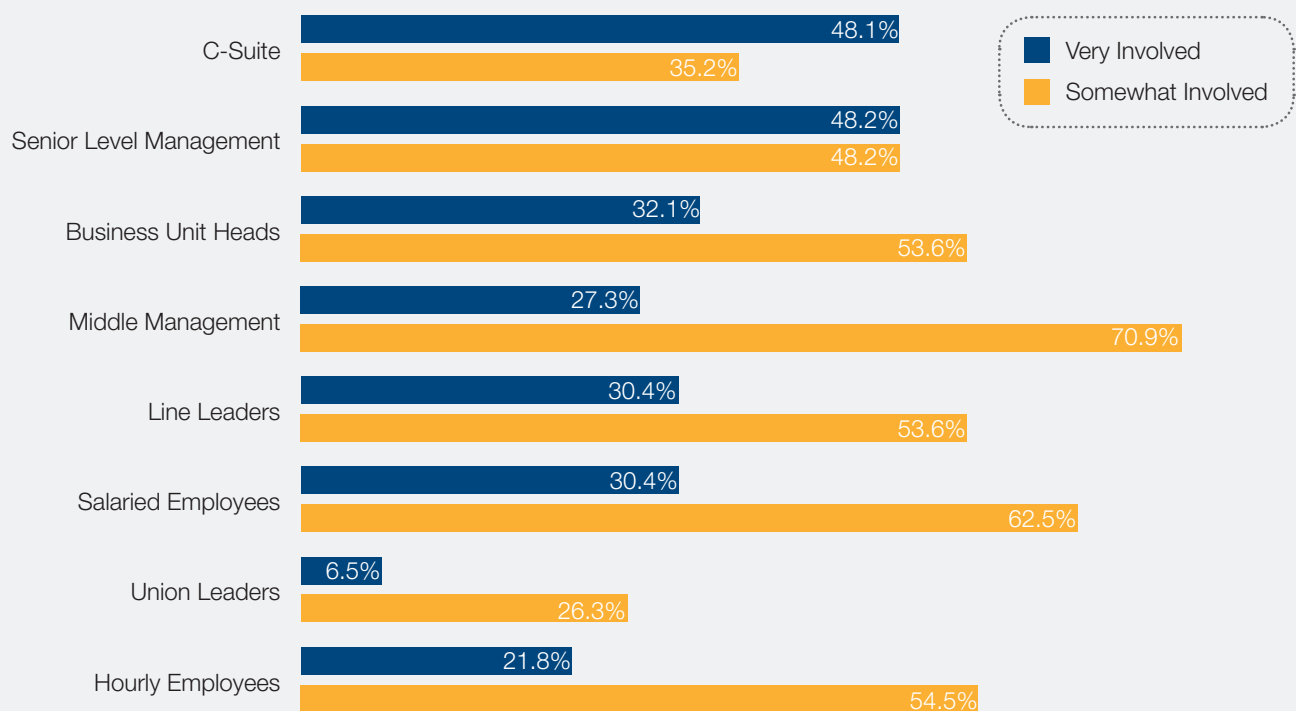
“Our leadership team finds it hard to integrate women into leadership positions. They are comfortable the way they are, with no women at the table.”

2 > Leading Diversity

What Leaders Are Doing

Active leadership involvement is a critical factor in the success of all diversity and inclusion initiatives. Both survey and interview respondents indicated that their leaders were more involved than they were 10 years ago. We asked survey participants to rate how involved their leaders were, along with other management and non-management groups. Chart 3 captures their responses.

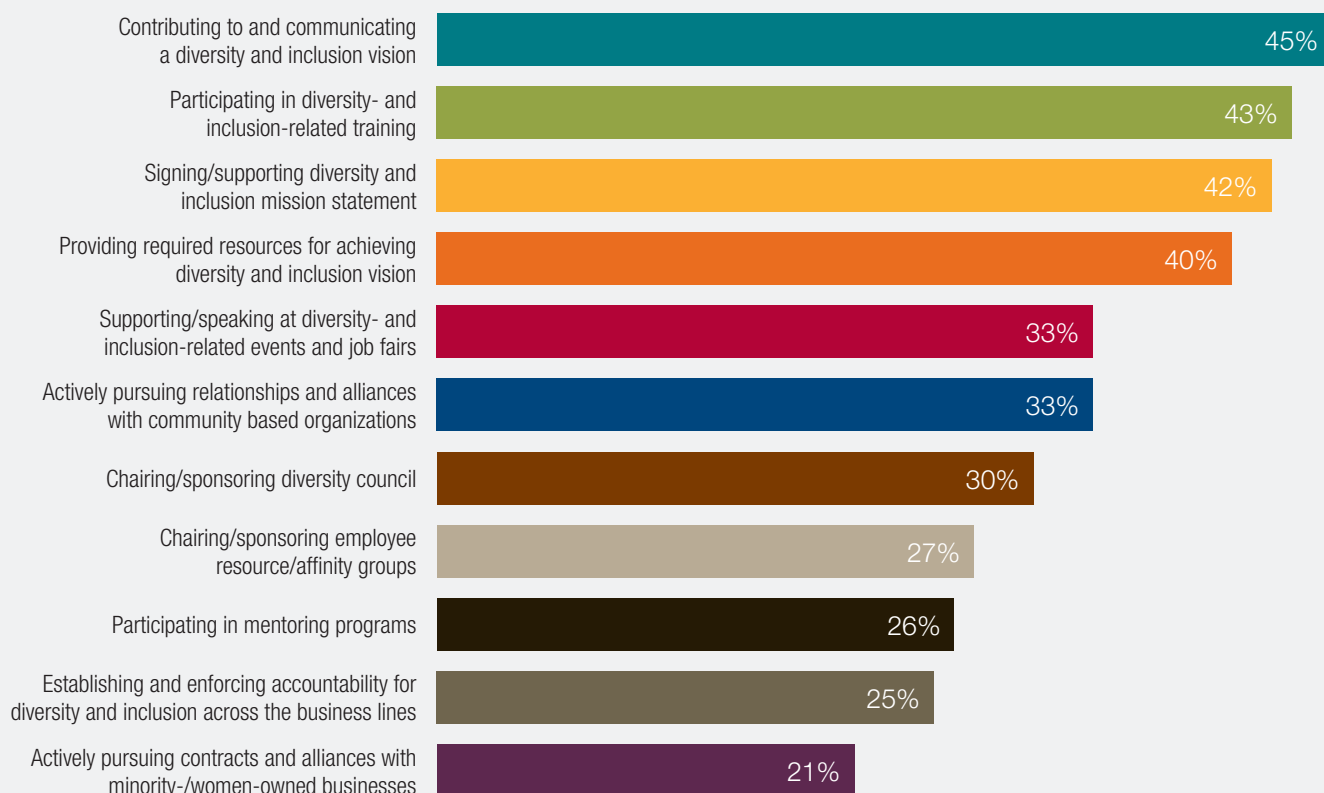
Chart 3: **How actively involved are these people in your diversity and inclusion strategy?**



Going beyond the percentages, we wanted to know what leaders, in particular, were actually doing to support diversity and inclusion in their respective organizations. Therefore, we asked survey respondents to rank the most common roles that their leaders were playing today. Their responses are presented in Chart 4 (page 17).

Likewise, we asked interviewees what, specifically, their leaders were doing that contributed to the success of the diversity and inclusion initiatives. Similar to the survey data, their most common response was that these leaders were endorsing diversity and inclusion in their speeches and in written messages. So we probed deeper to find out what else leaders were actually doing to

Chart 4: **How supportive are leaders of these diversity and inclusion roles?**



demonstrate their active support. The most frequent answers related to the participation of leaders in executive diversity councils in some organizations and their roles as diversity council chairperson or sponsor in other organizations.

“We have executive- and senior manager-led diversity councils in each of our key business divisions. They review our progress quarterly, and every six months we have a formal talent management review.”

“Our diversity council is the only reason that I (as a Diversity Specialist) can be successful, and it is made up of executives. They have tough discussions about complex issues and work in their respective areas to move diversity and inclusion forward.”

Another common leadership activity was sponsoring employee resource (business) groups and working to ensure their success.

“Eight of our leaders are executive sponsors of employee resource groups. Five of them, including the CEO, chair a diversity council.”

“We have employee resource groups with an executive sponsor who is a senior member. He is there to mentor and is involved in planning goals for the group.”

In some organizations leaders were also building diversity and inclusion into the organization's business strategy and objectives as well as providing money and other resources to ensure the success of diversity and inclusion initiatives.

"Our leadership group represents all business units. They are champions and develop strategic plans including diversity and inclusion, then take responsibility for the execution within their areas down to the local level."

"The leaders meet monthly. They each head up areas of diversity and inclusion focus and establish the initiatives and strategy for those areas. They are driving the initiatives forward—not just by providing resources, but by their active involvement."

Other leaders are playing important roles in education and training as well as in talent development, especially for underrepresented groups.

"They serve as executive champions and do a lot of the training themselves. We also have a Leadership Center where leaders teach. At the Leadership Center all core topics include diversity and inclusion."

"Some leaders are explicitly looking at women and people of color in the talent pool to see clearly what percentage they represent and what stretch roles and development opportunities they are getting. They ask, 'Are they next in line for promotion? If not, what do we need to do to include them?'"

Finally, another common theme was the active participation of leaders in both internal and external diversity and inclusion events.

"Our leaders are the face of diversity and inclusion to the outside world. They are speakers for programs within the organization and outside."

"They not only sponsor the employee resource groups, they moderate ERG panels, and attend ERG and other diversity events. We also send leaders to the Linkage Conference so that they can see what diversity is all about."

Talent Development

An integral part of inclusion is building an environment in which all employees can develop, contribute, and succeed. Therefore, we asked participants what programs and processes they had in place to support the career success of underrepresented groups and develop them as future leaders. While the majority of participants acknowledged that their organizations had no special program for underrepresented groups, about one-third of the interview sample did. Their descriptions were varied and included both internal development programs for high-potential women and professionals of color at certain levels in the organization as well as external leadership programs. The external leadership programs could be affiliated with a university or another formal institution with the mission of developing leaders among underrepresented groups. In some cases the employee resource (business) groups sponsored these programs—both internal and external.

“We have a Women’s Leadership Network. Its focus is to target women and have them become engaged with senior female leaders to learn about how to develop in and outside of the organization.”

“We have three very powerful programs, like the Women’s Program and one for African American associates. They request to participate and then are chosen from that pool. It lasts nine months. Their managers are fully on board and involved in the program.”

“We have mature affinity-based employee network groups, and they develop leaders, sponsor employee networking, and assist with career development.”

Several of these programs involved focused training, internships, and/or high-profile assignments or rotations. However, one common thread running through most of these programs was a strong mentoring, coaching, or sponsorship component. In many cases the mentor/sponsor/coach was an internal leader. At least one organization had a “reverse mentoring” program with U.S. leaders in the role of mentees and international high-potential employees as the mentors. For external programs, the mentor/coach was often a leader of the same affinity group from another organization or a consultant.

“In our organization one-third of all senior managers sponsor at least one woman or professional of color.”

“We have a special program designed to develop, retain, and advance high-potential women. It’s very structured and includes training modules and mentors.”

“We participate in the STEM program sponsored by the National Science Foundation to increase the number of women in Science, Technology, Engineering, and Math. There are workshops, coaching, and mentoring.”

Some formal initiatives involved monitoring the progress of diverse candidates in filling key positions, and then taking action to fill any perceived gaps or lags in career advancement. This may include looking at the actual assignments people are given compared to their peers and making necessary changes to foster learning, development, and career success.

“We have a process for succession planning. We look at key positions and the number filled by diverse candidates. To build bench strength we are developing people with an eye on how many are diverse.”

“Our firm has a process in place to track the quality and quantity of associates’ assignments along with the percentage of partners’ work given to female attorneys and attorneys of color.”

“We track promotions as well as what can lead to advancement—cross-team development opportunities, special projects, exposure to leaders—and try to figure out the best ways to involve women and ethnic minorities in these activities.”

Accountability

Since there may be important differences between the “intention” and the resulting “impact” of an initiative, participants were asked if employees—especially leaders and managers—were being held accountable for the success of their organizations’ diversity and inclusion initiatives. Some participants said that they were not yet at the point in their evolution where accountability had been established.

“We’ve done little or nothing. It’s a work in progress.”

“The diversity council has talked about it. It may happen next year.”

Many others described processes with varying degrees of accountability, but the general consensus was that this area needed to be strengthened to be effective.

“We have diversity goals and competencies in our Performance Management System, but they’re not tied to anything like raises or promotions.”

“We have a few diversity items on our Management 360 Feedback Instrument, but they are worded too vaguely to get at real behavior.”

Survey data also supported the view expressed above that accountability, especially senior management accountability, for diversity and inclusion initiatives was not the general rule, as Chart 5 demonstrates.

Chart 5: **How affected by diversity and inclusion-related results are senior-level management performance reviews?**

	Percent
Highly Affected	11.3%
Somewhat Affected	50.9%
Not Affected	24.5%
Don’t Know	13.2%
Total	100%*

* Because of rounding, figures may not add up to 100%.

On the other hand, several interview participants gave examples of more robust processes to hold managers accountable. These usually had a link to monetary reward—typically bonuses or merit increases and often involved a diversity and inclusion scorecard with several relevant indices being evaluated.

“We have a scorecard tied to bonuses for managers. Items on the scorecard include recruiting a diverse slate of candidates, supporting affinity networks, and survey scores from your employees.”

“Diversity and inclusion survey ratings impact a percentage of a manager’s merit increases or bonuses—from 10% to 30%.”

But some participants went on to say that the amount wasn’t enough to be a real incentive compared to overall monetary rewards. Another concern was that, even though a formal process was in place, the evaluation was left up to the supervising manager’s discretion.

“Overall performance rating is dropped if the ‘People’ section of the scorecard is low. This is tied to merit increases, which is not a lot of money. We’re looking at tying it into incentive payouts, which involve much more money.”

“We have a competency that includes diversity. It’s 10% of the review and tied to promotion and compensation. But it’s up to each leader to determine if he/she will really measure this and come up with an accurate assessment.”

Other examples of accountability were described as well, including recruitment, engaging diverse suppliers, holding partners accountable for the time they devote to diversity and inclusion, and external client accountability. The latter two were mentioned by participants who were employed by law firms.

“Our recruiters are held accountable for sourcing a diverse slate of candidates.”

“Our leaders hold Procurement accountable for contracting with diverse suppliers.”

“One of our major external clients asked to see our diversity scorecard (recruitment, representation, supplier diversity, etc.) before they would renew our contract. Fortunately, we ‘passed the test’ and retained the business.”

In sum, most participants would agree that accountability is a necessary aspect of a real commitment to diversity and inclusion, and that their organizations still have progress to make in this key area.

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3 Designing and Measuring Diversity

Diversity and Inclusion Metrics

To establish accountability, a diversity and inclusion initiative must have clear, actionable goals along with measurement processes in place to track progress and document results. This is also critical for establishing the business case, which, according to participants, some people including leaders still question.

When asked if they measured the results of their diversity and inclusion initiatives, over two-thirds of all survey respondents answered in the affirmative, as Chart 6 demonstrates.

Chart 6: **Do you measure the results of diversity and inclusion initiatives?**

	Percent
Strongly Agree	20.4%
Agree	48.1%
Neutral	11.1%
Disagree	13.0%
Strongly Disagree	3.7%
Don't Know	3.7%
Total	100.0%*

* Because of rounding, figures may not add up to 100%.

To shed more light on the key area of measurement, **we asked interview participants two questions: first, what were they measuring to determine the success of their diversity and inclusion initiatives; and second, to what extent were they able to tie this data to business outcomes?**

Many of the responses to the first question were similar to traditional Human Resources measures that have been put in a diversity and inclusion framework. For example, over half of the participants said that they measured the diversity of new hires as well as the diversity of candidate slates—both internally as well as from external recruiters. In terms of frequency, this was followed by measuring overall representation, with some organizations highlighting the percentage of underrepresented groups in leadership positions.

“We measure attraction, recruitment, and retention and cut the data by diversity category. Then we determine what else we need to do in those areas and take action.”

Another frequently mentioned data source was the scores from diversity and inclusion-related items on employee surveys. Often this data was “cut” by key diversity variables as well as by organizational variables such as department,

division, or business unit. Participants explained that data were compared over time to track changes in employee perceptions of diversity and inclusion and to determine if there were significant differences between groups. Less frequent were diversity and inclusion items on 360-type feedback instruments.

"We track the scores related to diversity and inclusion on our annual employee engagement surveys and break them down according to division and department."

"We track employee engagement scores as well as employees' perceptions of diversity and inclusion from our annual survey data."

Other common areas for measurement included promotions by race/ethnicity and gender. Data were also collected on retention and turnover (including turnover causes) with special emphasis on underrepresented groups.

"Our measures include promotions by race/ethnicity."

"Our Diversity Leadership Council establishes three-year goals and tracks the results. Part of that is the representation of women and visible minority groups in our leadership ranks."

"We look at turnover rates and try to determine if there are trends in who's leaving and why. We pay particular attention to women and people of color."

In addition, diversity and inclusion training participation was often tracked, and in a few cases follow-up activities were also monitored. Some participants also indicated that their organizations collected training evaluations but there was little indication that changes were made based on the evaluations.

"We track the percentage of people attending training and the percentage of performance development plans that have been created post-training."

"We collect training evaluations and calculate overall satisfaction scores as well as the ratings for each item."

In several organizations certain categories of data described above are grouped together to constitute a "diversity scorecard" that can be used internally and externally to gauge progress overall and within diverse groups over time. As we have seen, some organizations also use these scorecards in establishing accountability for results.

"Our diversity scorecard tracks female and ethnic hires and tracks promotions in terms of those groups into middle management. So we're not only tracking whether they get hired but also whether we are keeping them and whether they are being developed the same as everyone else."

"We have a Culture Scorecard that measures three broad areas: 1) Representation including the pipeline to leadership; 2) Supplier Diversity; and 3) Work Environment. A roll-up is provided with a numerical score to take a snapshot of progress made. It's factored into performance and payout."

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Other areas for measurement mentioned by a few people included the development of a talent pool among underrepresented groups, aspects of supplier diversity, and attendance at diversity and inclusion events.

“Our diversity council gathers data on how successful we’ve been in diversifying our pipelines for promotions.”

“The company looks at how many diversity council meetings we’re having and the outcome of these.”

“We track the number of ‘hits’ we get on the Diversity and Inclusion section of our intranet following a D&I event.”

Measuring Business Outcomes

The second question, which was related to how their organizations have linked these measures to business outcomes, was more difficult to answer. Indeed, of all the questions in the interview, this was the one to which over half of the interview participants could not provide substantive information. While acknowledging its importance, they also described the difficulties they faced.

“You can’t isolate diversity and inclusion as a unique variable in the business equation.”

“Diversity and inclusion are embedded in everything we do. So it’s hard to say a specific D&I initiative led to a specific business result.”

However, some participants were able to give measurable examples of where their diversity and inclusion initiatives had positively affected the business, either directly or indirectly. These included:

- Analyzing the cost of turnover and demonstrating the savings with reduced turnover linked to diversity and inclusion.
- Demonstrating that departments with high inclusion survey scores came up with more innovative cost-cutting ideas.
- Showing that a robust diversity scorecard was a key factor in retaining a valued client who was committed to diversity and inclusion.
- Documenting increased sales when women’s and African American employee resource groups do “blitzes” with sales teams focusing on women and African American accounts.
- Demonstrating a correlation between loyalty ratings from survey results and productivity.
- Showing that improved retention rates (linked to diversity and inclusion efforts) in turn positively affect hiring.
- Tracking increases in the number of products sold following targeted campaigns to Hispanic markets.

Whether or not they provided examples, there was agreement among participants that measurement as it relates to documenting diversity and inclusion success and validating the business case requires much more systematic thought and effort in most organizations today.

4 Creating a Culture of Inclusion

Globalization: Key Issues, Current and Anticipated

In the 1998 study, participants predicted that globalization would emerge as an important diversity and inclusion issue over the next decade. For many of the participants in the 2009 study, that prediction has come to pass as Chart 7 indicates.

Chart 7: **Globalization has impacted our diversity and inclusion efforts.**

	Percent
Strongly Agree	21.6%
Agree	37.3%
Neutral	23.5%
Disagree	7.8%
Don't Know	9.8%
Total	100.0%*

* Because of rounding, figures may not add up to 100%.

In some cases organizations have been “global” for decades, and in other cases this process is just beginning. Therefore, we asked participants what their key issues were related to globalization, both current and anticipated.

The most common themes emphasized the need to understand different cultures in their own terms, including their values and behavioral rules, both formal and informal. A related need was to develop cultural sensitivity and competencies that would facilitate positive working relationships—especially with customers, suppliers, and employees.

“With increased globalization we will be sending people to other countries. Therefore, culture awareness training will be more important. We need to increase our sensitivity to other cultures.”

“As we do more business across the world we will be required to communicate with and understand different cultures better as well as how to do things differently. We have to learn how to be good citizens there.”

Several participants talked about the conceptual and logistical challenges involved both in doing business in the global marketplace and in expanding the scope of diversity and inclusion to encompass the myriad differences in language, culture, national policies, and business protocol as well as culturally specific definitions of “diversity” and “inclusion.” One frequently mentioned

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challenge was dealing with language differences in diversity and inclusion training as well as other initiatives. Another issue was having to take into consideration that there are different national laws, regulations, and holidays that may affect diversity and inclusion initiatives.

“It’s going to be a huge amount of work to translate all our training into several different languages.”

“The employees in our overseas offices get very upset because we don’t acknowledge their national holidays. It affects their child caring arrangement among other things.”

Another key area of concern was how to address different forms of exclusion that exist in other countries and are sometimes part of their culture. Related to this was the need to educate people from other countries to see how diversity and inclusion apply to them and can benefit them.

“Dealing with the issue of women and some ethnic minorities who are discriminated against is going to be a real challenge, especially when there are laws that uphold the status quo.”

“How do we educate people from other countries who view ‘diversity’ as a U.S. issue only related to race?”

Finally, a several people spoke about the need to balance the continuity in their organization’s policies, procedures, and core values with respecting and adapting to cultural differences in other parts of the world.

“Of course we need to reach out to and understand our business partners in the global economy, but we can’t lose sight of our core values and principles. That’s who we are.”

Globalization Initiatives

We then asked participants what initiatives they were planning or had in place to address the challenges associated with doing work in a global marketplace. The most common plans and existing programs related to fostering positive communication and understanding among all parties. One way to do this was to provide education and training among U.S. employees to build cultural competencies. This is particularly important if they have extended contact with other cultures or even relocate outside of the United States for a period of time.

“We have orientation programs for employees and their families who are going to live abroad. We cover key cultural issues as well as practical things like finding housing and schools.”

“When employees come back from an overseas assignment, we debrief them and ask questions like, ‘What didn’t you know that you wished you had known?’ then incorporate that into future training.”

Many participants talked about their efforts to translate training programs and use local trainers to deliver them. Others added that they were incorporating

a cross-cultural component to all diversity and inclusion training. Many also said that they were customizing their diversity and inclusion training according to the audience. Along with training, some organizations were developing initiatives to source and select the best talent from all locations.

“The key is training when it comes to cultural differences. We use a combination of internal and external resources in our training.”

“We have initiatives to source talent globally, including developing relations with colleges outside the United States.”

To foster mutual understanding, some participants indicated that they were conducting information-sharing sessions overseas to learn about the issues. Others were partnering with international leaders to help them understand the business benefits of inclusion.

“We send representatives to the countries we work in and find local consultants, trainers, and others who can help us understand the local culture.”

“Some of our international leaders never considered marketing to their ‘diverse’ sub-cultures, so we have to get them to recognize these opportunities. We are actively helping them to drive those diversity and inclusion efforts.”

Generation: Key Issues, Current and Anticipated

Generation is another emerging aspect of diversity, and many organizations have incorporated it into their definition of diversity and related initiatives as the survey data in Chart 8 (page 28) indicate.

When we asked participants what issues and challenges were associated with generational issues, the most frequent response focused on the significant differences between younger employees (Generation Y, Millennials) and the Baby Boomer generation, who were often their supervisors. These differences included work style, career expectations, the desire for flexibility, ways of communicating, and use of technology.

“For Gen Ys, as long as the work gets done well, why should it matter where, when, and how?”

“It’s not a work ethic or commitment issue. It’s just that people go about doing their responsibilities differently.”

Two major themes were that Baby Boomers” and other older employees felt undervalued by the younger generation, who didn’t value experience and a proven “track record.” For their part, the younger generation resented being “micromanaged” and took issue with unwritten rules like the importance of “face time.” In addition, they wanted to advance quickly, which the older generation interpreted as not being willing to “pay your dues.”

“There’s a lot of finger-pointing on both sides. ‘What do you know at your age?’ and ‘You’re not tech savvy.’”

Chart 8: **To what degree does your organization’s diversity and inclusion program address generational differences?**

	Percent
Very Large Degree	15.1%
Large Degree	39.6%
Some Degree	26.4%
Small Degree	13.2%
Very Small Degree	5.7%
Total	100.0%*

“As we hire younger workers, they have a strong need to be involved and grow quickly in order to remain engaged.”

Another concern focused on the significant knowledge gap that could result if the large percentage of the workforce soon old enough for retirement actually leaves.

“If people retire when they’re eligible, there will be a huge ‘brain drain.’”

“We’re not going to be able to replace some of these people. They’ve got decades of knowledge and experience in their heads.”

Conversely, other participants explained that because of the current economic situation, retirement will be delayed for many, so their positions will not open up for younger employees. They, in turn, may leave because of the perceived lack of opportunities for advancement.

“We may have a hard time retaining Gen Ys if management positions don’t open up.”

Generational Initiatives

We asked participants what initiatives they were putting in place to mitigate these generational challenges. The most common response related to training on generational issues and differences as well as skill building to “bridge the gaps.” Another strategy was to address this topic in onboarding presentations and activities for new employees.

“We’ve incorporated generational issues in all our diversity and inclusion training and even have a special course on this topic.”

“We have a generational component in our onboarding process.”

Others talked about forming Generation Y and/or “Boomer” employee resource groups. One person added that the turnover of Gen Ys had gone down after the resource group started.

“The employee resource groups have sponsored activities that appeal to their members, like community service, or supporting employees who want to run in a marathon.”

Several participants described events and activities designed to bring the groups together to foster mutual understanding and respect. These may be “stand-alones” or sponsored by the employee resource groups or diversity councils.

“Our younger employees are teaching older employees computer games. They love it!”

“We have lunch and learn sessions with the two groups. At one we showed Debra Tannenbaum’s videos on gender and on aging.”

In terms of the knowledge drain, some organizations are implementing a process for knowledge transfer where older employees mentor younger ones. Others have established a Retirees’ Job Board so that retired employees can come back short term on a contract basis. Another type of initiative dealing with this issue is a “phased retirement program” so that older workers can gradually reduce their work hours.

“Our company has a one-on-one or a two-on-one mentoring program so older employees can pass their knowledge and experience on to younger ones and get to know each other in the process.”

“The phased retirement program is a ‘win-win’ because it gives people options, makes them feel valued, and gives us more time to capture and transfer their knowledge.”

Finally, a few participants said that they have established a multigenerational task force to research the issues and make recommendations. This initiative both models inclusion and demonstrates a valuable use of data gathering to target real issues and develop the right solutions.

Other Emerging Trends

While we focused on globalization and generational differences we also wanted to give participants an opportunity to discuss any other emerging trends that were or will be affecting diversity and inclusion over the next 10 years. In response to our question about other trends, the most frequent response related to the current economy and the multiple ways it was affecting organizational life.

Participants said that, with layoffs and reductions in spending, many of their diversity and inclusion activities were either canceled or put on hold. This included training, talent development programs, and other initiatives, especially if they involved travel. Some said that their leaders’ minds and energy were elsewhere—on immediate economic concerns—so their participation and support had dropped off. There were also fewer employee resources to carry out diversity and inclusion work.

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“The focus now is on economic survival. All ‘unnecessary spending’ has been cut. That includes diversity training and our Leadership Development Program.”

“We were going to implement a new diversity scorecard with management accountability built in. But that’s been put on hold for this year anyway.”

“Our leaders were going to travel to our overseas offices and help build mutual understanding, but that’s been put off indefinitely.”

Others indicated that there was less turnover, which made it more difficult for underrepresented groups to advance. Also, the economic crisis was affecting employee morale and employee loyalty, which made them less willing to engage in diversity and inclusion activities.

“Fewer people are retiring, which lessens the opportunities to move up.”

“Morale is at a low ebb, and attendance at our diversity and inclusion events is down.”

Another issue that many participants discussed was work/life balance, which included the “sandwich generation”—employees who have both aging parents and small children to care for. It also encompassed new and younger employees who expect flexibility in the workplace. While work/life balance is not an “emerging” issue, it is an escalating one for many employees. Correspondingly, there was general consensus that organizations had to start coming up with new and creative ways to get work done rather than just giving “lip service” to work/life balance.

“We need to be more open about how, when, and where people work.”

“Young employees will go where they have the flexibility they want.”

Several participants noted the continuing discomfort that some employees have around LGBT issues. A few added that their organizations had LGBT-related policies that were more progressive than state policies, and that sometimes the two clashed, which was a challenge for the organization.

“We had some resistance to forming an LGBT employee resource group.”

“Our company is very liberal in terms of same-sex partner benefits, etc. But some states have restrictive policies that won’t let us enact ours.”

Religion and faith differences in the workplace were also viewed as emerging issues of relevance to diversity and inclusion as was the growing immigrant population with language and cultural differences.

“‘Globalization’ is happening right here in the United States. I see it in my community, and I see it at work.”

Others thought that age and disability would increase in importance for diversity and inclusion as the aging population expands and organizations advocating for both these groups become more prominent.

“Disability has been the ‘forgotten’ diversity issue, but I think that’s going to change with expanding advocacy groups.”

“Because of their sheer numbers, senior citizens are becoming a force in society. We’ll see the impact in organizations, especially if they don’t retire.”

A caveat was noted by several participants who cautioned against the assumption that U.S. race/ethnicity issues had been resolved. They cited the widening poverty and education gap as inequalities that need continuing and even increased interventions.

“Just because Obama was elected president, we have not ‘arrived.’ Much work still needs to be done.”

“In my organization there is still conflict among whites and blacks. A fight actually broke out a few months ago.”

Vision of the Future

As a closing question, we asked participants to describe their vision for diversity and inclusion in their organizations 10 years from now. Most agreed that diversity and inclusion would be fully internalized and integrated into all they do in the business. Participants went on to give examples of what this would be like.

“We don’t have to talk about it anymore.”

“We wouldn’t need a Diversity and Inclusion Department, and my job would go away.”

“The business case is inherent. We no longer have to prove it.”

Additional comments were that the organization would reflect the diversity in the wider society.

“We would look like the demographics of the surrounding communities.”

“All kinds of learning styles would be accepted and fully integrated.”

Participants also described the benefits that would be realized in a fully diverse and inclusive organization.

“We are committed to fairness, and people are engaged at all levels.”

“The organization is attracting a diverse customer base, and our market share expands.”

“We leverage all our differences to be more innovative.”

“We are able to attract and keep the best talent.”

To realize these visions we must return to the roadmap presented at the beginning of this report. The foundation must be laid, leaders have to be champions, measurement must be used to both target necessary initiatives and document results, and the culture of inclusion—both domestically and globally—needs to be continually refined and expanded.

Appendices

Appendix A: Methodology

The Survey

The survey was administered electronically and consisted of 36 items, most of which were “forced choice,” using either a Lickert Scale or another set of options from which respondents could select their answers. There were also several open-ended questions in the survey. Our sample size is 54 individuals, each a diversity/inclusion specialist in his or her respective organization. Both public corporations and nonprofit organizations were represented in the survey sample. (See Appendices B, C and D) for a list of the survey items and the organizations that participated in the survey.)

The survey data were analyzed using the technique of descriptive statistics with frequencies and distributions calculated for each quantitative or forced-choice item. This report includes some important highlights from the survey, but it focuses on the key themes from the qualitative interviews. Unless otherwise noted, these themes are consistent with the survey data from which the interview questions were developed.

One-On-One Interviews

Once the survey data were analyzed we looked at the results for topics and areas where more in-depth information was needed—for example, actual leadership behavior in support of diversity and inclusion, the degree and forms of accountability, the uses of measurement to track progress and results, and newly emerging trends that might change, or at least modify, the face of diversity and inclusion.

Therefore, based on the survey data, we developed a series of open-ended questions—15 in all. As with the survey we drew upon volunteers from Linkage’s and Novations’ clients for our interview sample. In all, we conducted 54 one-on-one telephone interviews with diversity and inclusion specialists from corporate and nonprofit organizations across the United States. Each interview took approximately one hour and resulted in a depth and richness of data that complemented and illuminated the quantitative survey results. (See

Appendices B, C and D for a list of the interview questions and the organizations that participated in the interviews.)

Using the research technique of content analysis, we have sought to do justice to all points of view represented in the interviews, while highlighting those perspectives that were expressed with greatest frequency or that seemed to be of greatest importance because of their explanatory value. It is these major themes that are presented in this report, sometimes accompanied by illustrative quotations. Although these quotations are derived from the interview data, it is important to emphasize that there was general agreement between survey respondents and interview participants on all of the key themes discussed here.

Anonymity

To encourage people to speak frankly and thoughtfully, we guaranteed anonymity to all participants. Thus, this report makes no reference to the individual sources—respondent or organization—from which comments came. What is significant is not “who said what” but rather the collective perceptions and experiences—including similarities and differences—of this cross-section of specialists in the field of diversity and inclusion.

Appendix B: Interview Questions

General

1. How do you think, overall, the field of D&I has changed over the last 10 years?
2. How has the progress in D&I affected the way organizations function internally and do business externally?

Full Integration/Internalization of D&I into Your Culture

3. What actions have you taken that have contributed to the integration and internalization of D&I into the culture of your organization?
4. What obstacles do you still encounter in trying to move toward full integration and internalization?

Leadership/Executive Involvement/Support

5. What, if anything, are your leaders doing to actively champion D&I initiatives?

Metrics

6. What are you currently measuring to help you and your organization track the progress and success of your D&I initiatives?
7. How are you able to tie this data to business strategy outcomes?

Accountability

8. In what ways are your managers and leaders held accountable for the success of your D&I initiatives?

DIV & LD/Succession Planning

9. What are you doing, beyond classroom training, to ensure that all employees, including those from underrepresented groups, have fair opportunities to develop and advance?

Globalization

10. With increased globalization, what new challenges are you experiencing, or do you expect to experience in the coming 10 years, with respect to your D&I initiatives?
11. How are you addressing, or how do you plan to address, these challenges?

Generational Issues

12. What generational differences are creating the most issues for your organization?
13. Specifically, what have you done, or are you planning to do, to address these generational issues?

Emerging Trends

14. What other emerging trends, besides generational issues and globalization, will affect your D&I initiatives in the coming 10 years?

Final Question

15. Considering the success that you have had to this point, 10 years from now, what is your vision for what D&I in your organization will look like?

Appendix C: Online Survey Questions

Biographical Questions

1. In what industry is your organization? (Drop Down)

Accommodations and Food Services
 Agriculture, Forestry, Fishing, and Hunting
 Arts, Entertainment, and Recreation
 Banking
 Construction
 Education, Primary and Secondary
 Education, Higher (Colleges and Universities)
 Engineering
 Finance
 Government, State (Province) or Local
 Government, Federal (National)
 Healthcare and Social Assistance
 Information/Media
 Insurance
 Investments
 IT Hardware/Software/Services
 Management, Administrative and Support
 Manufacturing
 Mining
 Professional, Scientific, and Technical Services
 Public Administration and Active Duty Military
 Real Estate
 Retail
 Scientific and Technical Services
 Telecommunications
 Transportation and Warehousing
 Utilities
 Wholesale
 Other
 Prefer not to respond

2. Please indicate your specific job title:

3. How long have you been employed at this organization?

Less than 1 year
 1–2 years
 3–5 years
 6–10 years
 11–15 years
 16–20 years
 More than 20 years
 Prefer not to respond

4. How long have you been employed in your current position?

Less than 1 year
 1–2 years
 3–5 years
 6–10 years
 11–15 years
 16–20 years
 More than 20 years
 Prefer not to respond

5. How long have you been working in diversity and inclusion (regardless of the organization)?

Less than 1 year
 1–2 years
 3–5 years
 6–10 years
 11–15 years
 16–20 years
 More than 20 years
 Prefer not to respond

6. How many employees does your organization employ worldwide?

- Less than 100
- 100–999
- 1,000–2,499
- 2,500–4,999
- 5,000–9,999
- 10,000–49,999
- 50,000–99,999
- More than 100,000
- Don't know
- Prefer not to respond

7. How many employees does your organization employ at this facility?

- Less than 100
- 100–999
- 1,000–2,499
- 2,500–4,999
- 5,000–9,999
- 10,000–49,999
- 50,000–99,999
- More than 100,000
- Don't know
- Prefer not to respond

8. What is the approximate gross annual revenue of your organization?

- Less than \$1 million
- \$1 million–\$5 million
- \$6 million–\$10 million
- \$11 million–\$50 million
- \$51 million–\$100 million
- \$101 million–\$500 million
- \$501 million–\$1 billion
- More than \$1 billion
- Don't know
- Prefer not to respond

9. In which geographic region do you work?

- Africa
- Asia
- Caribbean
- Central America
- Europe East
- Europe West
- Middle East
- North America
- South America
- Other
- Prefer not to respond

Background Questions (Open-Ended)

1. How does your organization define diversity?
 - a. How has this definition changed over the last 10 years?
2. How does your organization define inclusion?
 - a. How has this definition changed over the last 10 years?
3. Where has your organization experienced the most notable success with its diversity and inclusion work?
4. With respect to diversity and inclusion, in what areas does your organization remain most challenged?
5. Please describe any of your initiatives that you would consider a “best practice.”
6. How has diversity and inclusion impacted the engagement and success of
 - a. your senior leaders?
 - b. your managers?
 - c. your employees?
 - d. your shareholders?
 - e. top-line perspective?
 - f. bottom-line perspective?
 - g. shareholder value?
 - h. the quality of service to your customers?

Baseline Scorecard Elements

Please indicate the extent to which you agree with the following statements:

7. Our organization views diversity and inclusion as a strategy to gain a competitive advantage.

Scale: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Don't know

8. Please rate the impact of your diversity and inclusion initiative on the following areas:

Scale: Very positive, Positive, No impact, Negative, Very negative, Don't know

- a. Achieving employer of choice status
- b. Improved employee retention
- c. Reduction in litigation
- d. Ability to attract talent
- e. Increased employee engagement
- f. Improved management effectiveness
- g. Penetration into diverse markets
- h. Product/service innovations
- i. Top-line revenue
- j. Profitability
- k. Employee productivity
- l. Team performance
- m. Global expansion
- n. Improved customer service
- o. Strategic effectiveness
- p. Improved corporate image
- q. Awards and citations in media
- r. Access to diverse talent pools
- s. Corporate responsibility
- t. Community relations

9. Over the last 10 years, the impact of diversity and inclusion on your strategic mission has

- a. increased.
- b. decreased.
- c. remained the same.

10. Diversity and inclusion is seen as a change management effort and receives active involvement throughout all levels in the organization.

Scale: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Don't know

11. To what extent are these individuals actively involved in your organization’s diversity and inclusion initiative?

Scale: Very involved, Somewhat involved, Uninvolved, Don’t know

- a. C-suite
- b. Senior-level management
- c. Middle management
- d. Line leaders
- e. Salaried employees
- f. Hourly employees
- g. Business unit heads
- h. Union leaders
- i. Other: Please specify

12. Thinking back 10 years, rank the top three people/groups most responsible for moving your organization’s diversity and inclusion initiative forward.

- a. CDO or VP of diversity and inclusion
- b. Director or manager of diversity and inclusion
- c. VP of human resources
- d. Director or manager of human resources
- e. Diversity council
- f. External consultant(s)
- g. Specific business unit manager or group of managers
- h. Employee resource/affinity groups
- i. Union leaders
- j. Other: Please specify

13. Thinking about your current organizational structure, rank the top three people/groups most responsible for moving your organization’s diversity and inclusion initiative forward, **NOW**.

- a. CDO or VP of diversity and inclusion
- b. Director or manager of diversity and inclusion
- c. VP of human resources
- d. Director or manager of human resources
- e. Diversity council
- f. External consultant(s)
- g. Specific business unit manager or group of managers
- h. Employee resource/affinity groups
- i. Union leaders
- j. Other: Please specify

14. Over the last 10 years, how has the allocation of resources toward your diversity and inclusion initiative changed?

Scale: Much more, More, About the same, Less, Much less

15. To what extent are individual accountability measures affected by diversity and inclusion–related results?

Scale: Highly affected, Somewhat affected, Not affected, Don’t know

Senior-Level Management

- Bonuses
- Base pay
- Performance reviews
- Other: Please specify

Middle Management

- Bonuses
- Base pay
- Performance reviews
- Other: Please specify

Individual Contributors

- Bonuses
- Base pay
- Performance reviews
- Other: Please specify

16. With respect to diversity and inclusion in your organization, leadership at all levels is

Scale: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Don't know

- a. visibly supportive.
- b. financially supportive.
- c. developmentally supportive.

17. Compared to the last 10 years, the number of senior-level managers actively involved in your diversity and inclusion efforts is

Scale: Much more, More, About the same, Less, Much less

18. Please describe the ways in which your senior leaders/managers support your organization's diversity and inclusion initiatives.

Check all that apply.

- Signing/supporting diversity and inclusion mission statement
- Contributing to and communicating a diversity and inclusion vision
- Providing required resources for achieving diversity and inclusion vision
- Establishing and enforcing accountability for diversity and inclusion across the business lines
- Chairing/sponsoring diversity council
- Chairing/sponsoring employee resource/affinity groups
- Supporting/speaking at diversity and inclusion-related events and job fairs
- Actively pursuing contracts and alliances with minority/women-owned businesses
- Actively pursuing relationships and alliances with community-based organizations
- Participating in diversity and inclusion-related training
- Participating in mentoring program
- Other: Please specify

19. To what degree do business managers align their diversity and inclusion goals with the business needs of their area?

Scale: Very large degree, Large degree, Some degree, Small degree, Very small degree, Don't know

20. How is diversity and inclusion aligned with business goals? Check all that apply.

Diversity and inclusion is a part of each business unit's standard recruitment practices.

Revenue streams are driven through diverse channels (employee resource groups, the office of diversity and inclusion, diversity council, etc.).

All employees have equal access to high-level projects and stretch assignments.

The business units support employee development through training, mentoring, etc.

All employees are promoted based solely on performance and contribution to the organization.

Diversity and inclusion are built into the succession plans for each business unit.

Diversity and inclusion informs product innovation where applicable.

Diversity and inclusion improves employee engagement and performance.

Business unit heads seek relationships and contracts with minority/women-owned businesses.

Leverages employee resource groups and diversity council.

21. Diversity and inclusion integration and alignment has been a core component of the overall business:

- only within the last year.
- over the last 1–3 years.
- over the last 3–5 years.
- over the last 5–7 years.

It has always been a core component of our diversity and inclusion initiatives.

22. We cascade diversity and inclusion throughout the organization by aligning skill development with overall business goals and objectives.

Scale: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Don't know

23. What type of training is in place to support your diversity and inclusion initiatives?
Choose all that apply.

For Senior Management

- Diversity and inclusion basics
- Onsite training targeting behavior change/ leadership capability
- Onsite training dealing with mental models and unconscious bias
- Onsite training as it relates to sales and customer service
- Diversity and inclusion embedded in traditional leadership development
- Training to improve cultural competence addressing specific dimensions of diversity and inclusion
- Participation in external conferences and training
- Individual coaching

For Middle Management

- Diversity and inclusion basics
- Onsite training targeting behavior change/ leadership capability
- Onsite training dealing with mental models and unconscious bias
- Onsite training as it relates to sales and customer service
- Diversity and inclusion embedded in traditional leadership development
- Training to improve cultural competence addressing specific dimensions of diversity and inclusion
- Participation in external conferences and training
- Individual coaching

For Individual Contributors

- Diversity and inclusion basics
- Onsite training targeting behavior change/ leadership capability
- Onsite training dealing with mental models and unconscious bias
- Onsite training as it relates to sales and customer service
- Diversity and inclusion embedded in traditional leadership development
- Training to improve cultural competence addressing specific dimensions of diversity and inclusion
- Participation in external conferences and training

24. We measure the results of diversity and inclusion initiatives at this organization.

Scale: Strongly agree, Agree, Neutral, Strongly disagree, Don't know

25. Are diversity and inclusion-related questions included on your organizational/employee surveys?

Scale: Strongly agree, Agree, Neutral, Strongly disagree, Don't know, Does not apply

26. Are diversity and inclusion-related measures included on your 360 assessments?

Scale: Strongly agree, Agree, Neutral, Strongly disagree, Don't know, Does not apply

27. Describe the metrics used for evaluating the effectiveness of your diversity and inclusion programs.

- a. turn-over rates
- b. absenteeism rates
- c. focus groups
- d. stakeholder attitude measures
- e. innovation rates
- f. hiring numbers
- g. retention numbers
- h. number of formal grievances
- i. training evaluations
- j. litigation/arbitration costs
- k. merger/acquisition success
- l. employment offers accepted
- m. organization performance
- n. independent source assessments
- o. participation in diversity training
- p. benchmarking
- q. turn-over costs
- r. absenteeism costs
- s. employee attitude/satisfaction measures
- t. compensation parity
- u. diverse work group productivity
- v. market segment penetration
- w. customer satisfaction measures
- x. attendance at diversity programs
- y. cultural audits
- z. expatriate satisfaction measures
- aa. employee performance measures
- ab. success or failure of mergers or acquisitions
- ac. exiting practices
- ad. demographic profile at varying levels/functions
- ae. representation on high-profile teams, key projects, etc.
- af. policies and/or practices changed by the diversity initiative
- ag. other

28. We have an integrated and well-communicated strategy and implementation plan around diversity and inclusion.

Scale: Strongly agree, Agree, Neutral, Strongly disagree, Don't know

29. Diversity and inclusion are imbedded in the following corporate communications:

Scale: Strongly agree, Agree, Neutral, Strongly disagree, Don't know

- a. Our organization has a clear definition of diversity and inclusion.
- b. Senior leaders clearly articulate our diversity and inclusion business case and vision.
- c. Middle managers clearly articulate our diversity and inclusion business case and vision.
- d. Individual contributors clearly articulate our diversity and inclusion business case and vision.
- e. Diversity and inclusion are often part of messaging delivered by the CEO.
- f. Diversity and inclusion are prominent on our website—beyond HR and/or the careers section.
- g. Diversity and inclusion are a clearly articulated component of the overall company strategic vision.
- h. Diversity and inclusion resources are readily available through our company intranet.
- i. Diversity and inclusion goals and accomplishments are published in regular company newsletters or other medium.

30. Globalization has impacted our diversity and inclusion efforts and focus over the last 10 years.

Scale: Strongly agree, Agree, Neutral, Disagree, Strongly disagree, Don't know

31. How has your diversity and inclusion initiative changed in response to globalization?
Please explain.

32. How has diversity and inclusion affected your organization's ability to operate effectively in a global marketplace? Please explain.

Current and Future Orientation

33. To what degree is your organization's diversity and inclusion program focused on the following issues:

Scale: Very large degree, Large degree, Some degree, Small degree, Very small degree, Don't know

- a. Culture
- b. Race/ethnicity
- c. Religion and spirituality
- d. Disabilities
- e. Sexual orientation
- f. White male resistance
- g. Generational differences

34. Has your organization become adept at accommodating the needs of cultural groups while also accommodating the needs of the majority (e.g., religious holiday accommodation)? Please explain.

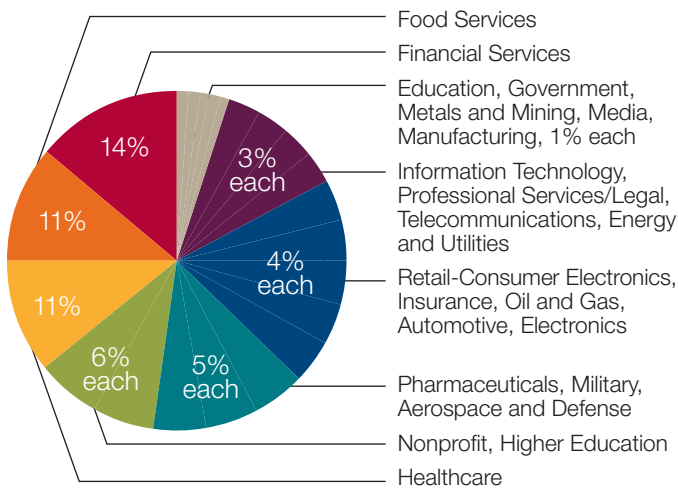
35. Do you believe that the majority of individuals employed by your organization feel a sense of belonging to your organization? Please explain.

36. Do "diverse" groups feel that they can express their distinct identity and practices in your organization? Please explain.

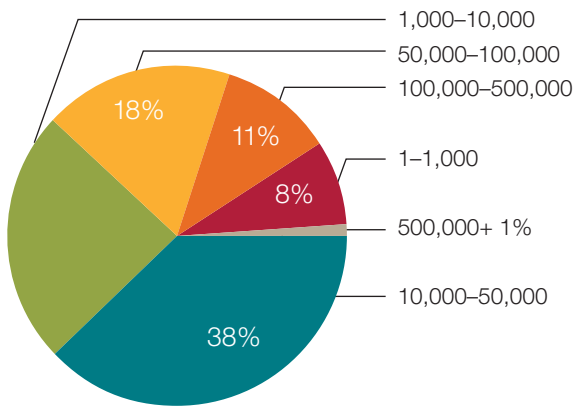
Appendix D: Participant Demographics

The study involved Human Resources and Diversity and Inclusion professionals from a variety of organizations who participated in an online survey and one-on-one qualitative interviews. Participant organizations included:

Industry Participants



Employee Size



ABOUT NOVATIONS

Novations helps the world's leading organizations unleash the capacity of their employees. Our proven solutions address today's critical organizational challenges: selecting the right talent, fostering inclusion and engagement, building leadership at every level, and optimizing development for all.

Our approach is flexible, sustainable, and designed to leverage our clients' ongoing talent investments. From diversity and inclusion to individual and leadership development, communication, and project management, we help clients identify what high performance looks in their organizations, deliver the skills required for success, and measure the effectiveness of those efforts.

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Then, Now, and Tomorrow

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