The Schegg Group

Building a Diverse and Inclusive Workplace

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The Advantages of a Diverse Workforce

The term diversity covers many complex issues and building a diverse workforce is a critical goal for many organizations. According to a survey by McKinsey and Company, **businesses with a diverse workforce are 35% more likely to have financial returns above industry medians.**

Employing workers with varied cultural backgrounds and language skills helps you to establish an organization with a competitive edge in a global economy.
A diverse workforce can lead to:

- greater creativity as people approach problems and challenges from different perspectives
- higher employee morale with an open and inclusive environment
- attracting new talent
- improved market growth

Although the transition to a diverse workplace can be difficult, many organizations are finding that it's worth the effort and investment as results are both morally and financially rewarding. Organizations can also use diversity and inclusion programs to better meet legal and compliance obligations.

I hope that you find the articles that follow on diversity to be helpful.

Regards,

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6 Steps for Building an Inclusive Workplace

To get workplace diversity and inclusion right, you need to build a culture where everyone feels valued and heard.

By Kathy Gurchiek
August 17, 2018

Under your HR team's leadership, your company has recruited a diverse workforce that includes a range of ages, ethnicities, religions and world-views. Identifying and hiring people with such diverse backgrounds and characteristics is an achievement that you reflect on with pride. So now you can check off the diversity and inclusion (D&I) box on your to-do list for building a great workplace…right?

Not so fast. Diversity is only half of the D&I picture. Creating a culture where people are respected and appreciated requires another level of effort that may not be getting the investment it needs.

"We often forget the 'I' in the D&I conversation," says Johnny C. Taylor, Jr., SHRM-SCP, president and chief executive officer of the Society for Human Resource Management (SHRM). "The challenge is in having a culture where all employees feel included. It's a major investment to bring talent into your organization, so why bring them in if they're not happy when they get here? You've got to get the inclusion part right."

Think of diversity as being similar to selecting people for a chorus who have different musical backgrounds, vocal ranges and abilities. The inclusion piece of D&I means making sure that those different voices are heard and valued and that they contribute to the performance.

When employees who are different from their colleagues are allowed to flourish, the company benefits from their ideas, skills and engagement, according to SHRM/Economist Intelligence Unit research. The retention rate of those workers also rises.

To that end, here are six practical strategies for creating an inclusive environment.

1. Educate Your Leaders

Your organization's executives and managers will be instrumental to your D&I efforts. "At the end of the day, it's the leader who's on the front line with our employees," says Dianne Campbell, vice president of global diversity and inclusion at American Express in Washington, D.C. "It's the experience that the leader is creating that is going to make or break" your D&I initiatives.

This year, Amex is rolling out mandatory training for people at the vice president level and above. It will start with the basics—what inclusion is and why it is important. Small groups will discuss strategies to foster it in the company.

"We have always focused on inclusion and know this is something that's important," Campbell says. However, "as HR practitioners, we take for granted when we say to leaders that they need to be inclusive that they know what we mean."

'As HR practitioners, we take for granted when we say to leaders that they need to be inclusive that they know what we mean.'

Dianne Campbell

At global pharmaceutical manufacturer Merck & Co. Inc., bosses at every level undergo training in unconscious bias, which occurs when individuals make judgments about people based on gender, race or other factors without realizing they're doing it. The training helps make people aware of this form of bias and drives home the importance of modeling inclusive behavior—such as engaging in active listening and encouraging different points of view—in meetings, performance reviews and other interactions.

The company's global D&I team periodically evaluates its professional development offerings to ensure that managers have opportunities to learn how to better manage diverse workgroups. Members talk about how to deal with real-life scenarios that people managers face, such as supervising an employee who needs an accommodation for a disability or a worker who is a single parent with challenging child care issues.

"We look at the opportunities where people managers are making decisions about employees and integrate a D&I filter into those opportunities to ensure we are making decisions appropriately," says Celeste R. Warren, vice president, HR and global diversity and inclusion center of excellence at the Upper Gwynedd, Pa.

Leaders at Merck are also expected to demonstrate a commitment to inclusivity and, importantly, to be responsible for the environment in their respective departments. Ongoing feedback from their own managers helps to hold them accountable, as does tying the goal to their performance evaluations.

"Leaders—especially middle managers—must be held accountable for results," says Erin L. Thomas, a diversity researcher and a partner at Paradigm, a D&I consulting firm based in San Francisco. That means structuring meetings, allocating resources and using language that advances inclusion. "Employees need to see that inclusive behavior is a core competency.

2. Form an Inclusion Council

Consider forming a council comprising a dedicated group of eight to 12 influential leaders who are one or two levels below the CEO. Carefully select them for their passion and commitment to inclusion.

"You need people who are going to make the time to roll up their sleeves" and do the work, says Jennifer Brown, author of *Inclusion: Diversity, the New Workplace & the Will to Change* (Purpose Driven Publishing, 2017) and president and CEO of Jennifer Brown Consulting in New York City. They need to be "a channel for communication" between the rank and file and the C-suite, and that includes advocating for inclusiveness in discussions with top executives when necessary.

Ideally, councils should be involved in goal-setting around hiring, retaining and advancing a diverse workforce and in addressing any employee engagement problems among underrepresented employee groups, Brown says. Most councils meet quarterly to review organizational feedback, troubleshoot challenges, and, most importantly, carry messages about their work to their senior peers and the C-suite, she says.

The councils should be as diverse as possible, with members representing not only different ethnicities and genders but also different business functions and geographic locations, for example, even if that means tapping individuals one or two grade levels below the C-suite. If this is difficult due to the lack of diversity in the top levels of your organization, make sure council members learn about your company's diversity strategy from HR, the D&I team, and their colleagues in employee resource groups (ERGs) or business resource groups (BRGs). In this scenario, the pressing reality of the lack of diversity in top positions will also become a stark reminder that change is needed.

An inclusion council is different from ERGs and BRGs, which are sponsored by individual executives and typically serve as grassroots diversity business networks, usually for mid- and junior-level workers who share common backgrounds. ERGs and BRGs might be made up of veterans; new parents; or members of an ethnic, racial or gender-based group. They are a good D&I tool and provide a safe place for people to express themselves. Sometimes discussions that arise in these groups can even provide an early warning of issues bubbling up within the company.

The onus for inclusiveness, however, should not fall on the underrepresented members of your workforce, whether they be women, people of color or members of other minority groups. Those individuals often don't have the power or influence to bring about change, Brown says. That's where inclusion councils can take up the cause.

Inclusivity Checklist for HR

- Make sure company leaders understand that inclusion is about ensuring that everyone's voice is heard, opinions are considered and value to the team is evident.
- Train managers—and hold them accountable—to show that inclusivity is a core competency.
- Form an inclusion council with genuine influence and power.
- Value differences and create an environment where people can feel comfortable bringing their "full selves" to work.
- Identify underrepresented groups' needs, and give them necessary support and resources.
- Provide workers with a safe space to voice their concerns.
- Benchmark key aspects of your organization's culture—and understand the employee experience—before making changes to promote inclusivity.
- Remember that daily interactions are the most telling sign of whether or not your company has an inclusive culture.

3. Celebrate Employee Differences

One of the most important ways to show employees that you respect their backgrounds and traditions is to invite them to share those in the workplace. For example, the HR team at Bak USA, a manufacturer of mobile computers based in Buffalo, N.Y., holds potluck parties to celebrate the 14 nationalities represented among its 100 employees. Many employees are new to the U.S., and the events are a way to showcase the foods of their home countries, says Eva Bak, vice president of people.

The company promotes inclusiveness in other ways, too, with:

- A meditation or prayer room. The need for a reflection space came to Bak's attention after she started giving up her office for 15 minutes every

Friday so Muslim employees could use it to pray. It wasn't an inconvenience to her, she says, and the gesture meant so much to those individuals. Creating a permanent space, however, provided "that inclusion piece where people felt they could bring their 'full selves' to work," she says.

- An enhanced HR presence for more-isolated employees. The company created a small HR office to serve production team employees who work on a different floor than the HR team and who often work different hours from the rest of the organization. It's also a place where those workers can have private conversations with their managers.

Last September at Merck, the company observed its second annual Global Diversity & Inclusion Experience month. It celebrated the differences among its 69,000 employees in more than 140 countries and offered presentations to employees about how D&I influences Merck's culture and business performance.

"It's well-known that diversity in teams leads to better decision-making, greater innovation and ultimately higher returns," Bak says. "But inclusion is what connects people to the business, and we believe it's one of the core reasons they stay."

4. Listen to Employees

To better understand their workers' experience, HR at American Express fields employee surveys and convenes focus groups to drill down on engagement and inclusion issues. Conduct a comprehensive assessment of your organization's demographics and people processes to develop specific strategies to promote inclusiveness, Campbell advises.

'We've created a very close-knit group of people who treat one another like family. I think that's incredibly powerful, especially when you look at everything happening in the world.'

Eva Bak

Think about the culture you want and how you can create one that is authentic to your brand while meeting the needs of your employees. "We serve a diverse workforce, but, more importantly, we wanted to make it an inclusive workforce," Bak says. "That means making strategic decisions that align us with that thinking."

At Bak USA, leaders conduct regular town hall-style meetings as part of their communication with staff. "[It] teaches us what people really need and what makes them feel comfortable" and included, Bak says. "Just being listened to is important to people—being able to voice your concerns in a safe place. It can be daunting sometimes, especially [for] HR, to go into those meetings because you never know what you're going to be asked."

The company used to hold a separate holiday party for its production team to accommodate their nontraditional work hours. However, a response to an employee survey pointed out that the practice seemed to silo that department from the rest of the organization. Although only one person expressed this concern, the HR department thought the point had merit and now holds one celebration for everyone.

"We've created a very close-knit group of people who treat one another like family," Bak says. "I think that's incredibly powerful, especially when you look at everything happening in the world."

5. Hold More-Effective Meetings

An employee's daily experiences with co-workers are more telling about a workplace's inclusiveness than anything else.

"Determine the moments of truth in the workplace where any individual can impact diversity and inclusion," says Danny Guillory, head of global diversity and inclusion at San Rafael, Calif.-based Autodesk, a global software company. "What is most impactful is not what the CEO says, not what I say, but the experiences I have with the five or six people I work with every day. What are the key moments almost every employee touches where they can have an impact?"

Meetings are a prime example, says Guillory, who offers the following ideas for fostering an environment where contributions from everyone are encouraged:

- Distribute meeting materials in advance and share questions to be discussed. This is helpful for workers for whom English is a second language and for introverted employees who function better when they are given time to process information before reacting to it.
- Reach out to teleworkers. Make sure you have the right technology for virtual meeting participants to have a meaningful experience. Welcome them to the meeting, ask them questions and pause to be sure they are given the opportunity to take part in the conversation.
- Rotate meeting times if you have remote workers in different time zones.
- Give credit where it's due. When someone is recognized for an idea that someone else put forward earlier in the meeting, point out who shared the idea originally.

- Be conscious of your communication style. Don't assume you know more than others by explaining concepts they may already understand—a behavior sometimes referred to as "mansplaining" when done by men to women.

- Promote active debate and be courteous. If one colleague interrupts another, call attention to it to underscore the importance of letting everyone be heard.

Creating an inclusive mindset is not a linear process, Guillory says. It will take time and a consistent effort. "There will be stops and starts" along the way, he says.

"Cultivating inclusion is an evolving process with constantly moving targets. You're never done," Thomas points out. "A company's goals and tactics must evolve along with the needs of current and potential talent.

6. Communicate Goals and Measure Progress

Establish and clearly communicate specific, measurable and time-bound goals as you would with any other strategic aim. At one organization where Thomas worked, the employer took great care to quantify engagement within its BRGs. After 11 months of "high-touch management" from Thomas' team, BRG members reported double-digit increases across 12 measures of engagement.

"Every company should first benchmark their culture before they begin investing in it," Thomas says. She recommends the following actions:

- Conduct a full audit of your people processes—from recruiting and hiring to developing and retaining employees. Couple the data with engagement and other workforce survey data to gain a full measure of your climate.

- Identify any shortcomings and measurable discrepancies around inclusiveness in your organization.

- Instill rigor into inclusion strategies with data-driven plans, and measure the results.

- Establish a clear business case for how the company will benefit by having a more inclusive culture by asking:

- What are our inclusion goals?

- What are the reasons for those goals?
- How do we quantify inclusion?
- How will inclusion impact our mission, brand or bottom line?

"When you can answer these questions," Thomas says, "you're speaking the language of your stakeholders, legitimizing the business of inclusion and making inclusion a 'verb' versus an ideal."

5 Diversity Danger Zones

By Jonathan A. Segal
Partner at Duane Morris
October 26, 2018

Ensure your good intentions don't create unnecessary legal risks.

Business leaders are making a conscious effort to increase diversity, particularly at the top. That's a good thing. But it's also important to remember that sometimes well-intended efforts can lead to unexpected problems, particularly if you aren't fully conversant with federal civil rights laws.

Here are five examples of steps that are sometimes taken to increase diversity but can carry legal risks, and how you can achieve the same outcome without exposing yourself to litigation.

1. Job Requirements

Most employers include minimum experience requirements in their job postings. When the mandated amount of experience is considerable, however, such a prerequisite can have a particularly negative impact on women and minorities who historically have been denied certain jobs. So, take a more thoughtful look at how much and what type of employment background is truly necessary for the positions you need to fill.

At the same time, it's probably not a good idea to impose caps on experience, as some employers are doing in their efforts to increase diversity, because setting a maximum can adversely affect older workers who are more likely to have experience that exceeds what you need. You don't want to trade one form of bias for another.

2. Targeted Applicant Pools

One way to boost the diversity of the team is to draw from a more diverse applicant pool. To do that, some HR leaders engage in targeted recruiting aimed at women and minorities.

While this can be a good option, it should supplement, not supplant, your general recruiting strategy. It may be seen as an attempt to ensure that a member of a specific group gets the job as opposed to simply encouraging diversity among available candidates.

Conduct targeted recruiting at the same time as general recruiting to avoid the appearance of bias against those who were qualified but not a member of the group or groups subsequently targeted.

3. Blind Screening

Studies show that women and people of color are more likely to advance in the hiring process when those who make the decisions about who to interview do not know or suspect the gender, race or ethnicity of the candidates.

That's why the concept of blind screening—in other words, barring decision-makers from seeing names or other identifying information on resumes or applications—has gained traction among some employers.

The risk here comes when you make exceptions to this practice.

Let's assume that you engage in blind screening for all director positions and above, but not for the chief financial officer role. You don't need to be an attorney to realize how that move could be argued credibly as evidence that you want to know the equal employment opportunity demographics of candidates in deciding who to interview for the financial officer position.

Don't commit to this form of hiring unless you are prepared to live with it for the universe of positions to which it applies. Exceptions to the process will be hard to defend.

4. Implicit Awareness Tests

Two common forms of implicit bias are affinity bias and contrast bias, which refer to having greater or less comfort, respectively, with others based on their similarities or differences from ourselves.

In plain speak, a white woman may be more comfortable with, and therefore favor, another white woman over a man of color. She will be aware of the gender and race of the candidates and might not realize how those factors influence her decisions.

To deal with this problem, some employers give interviewers implicit awareness tests to help individuals uncover their unconscious bias.

These tests are problematic for three reasons:

- Their validity is questionable.
- Even if the assessments have some value in raising awareness, an individual won't really know if unconscious bias is happening in the moment because it is, by definition, unconscious.
- The tests create data that could be used against the company in litigation.

So, avoid implicit awareness tests, but take other steps to mitigate this form of bias.

Consider having a group of diverse individuals interview candidates. We are more able to see implicit bias in others than in ourselves, and, having a team with a variety of backgrounds increases the likelihood that the candidate will be vetted based on his or her merits.

5. Diversity as a Basis for Hiring Decisions

Even when your goal is to increase diversity, you can't make hiring decisions based on gender, race or ethnicity. You can, however, consider experiences, contacts and job-related skills that may correlate with protected group status.

For example, suppose your organization wants to increase sales in the Latino community. You could make the ability to speak Spanish fluently a job requirement. Yes, more Latinos than non-Latinos will likely apply, but by basing the requirement on a skill, you won't be accused of excluding people based on their national origin.

Does Hiring for "Culture Fit" Perpetuate Bias?

By Mel Hennigan and Lindsay Evans
October 31, 2018

Two HR experts debate the issue.

Hiring bias is hiding beneath the cloak of company culture.

YES When successful tech companies popularized corporate culture as an asset to be fostered and shaped about 15 years ago, it didn't take long for "culture fit" to become the new jargon used for hiring decisions that are based on personality traits. Considering culture fit as part of the overall package is a good thing for companies that have taken the time to carefully define and weigh the cultural components of the hiring decision.

But few companies have gone through the rigor of making their "culture fit" objective and measurable. Rather, HR professionals and hiring managers have simply adopted a new term for explaining hiring rationale that otherwise might be classified as invalid.

"I'll know the right candidate when I meet him," they'll say. Or, "We didn't click. I don't think that candidate will fit our culture." Statements like these indicate that the hiring decision is based on a subjective assessment more than on the candidate's ability to deliver results.

If hiring managers define culture fit in terms of personality traits, favoring certain job candidates because they "are friendly" or "have a good attitude," those managers hinder their organization's ability to innovate because of its homogenous workforce. Conversely, hiring managers who describe their culture in qualitative terms, such as "low structure" or "high autonomy with a complex matrix," have a better chance of mapping the skills and abilities of a diverse set of people into their culture.

Similarly, if culture fit accounts for only 10 percent of a hiring decision, and the other 90 percent is based on skills and abilities, candidates who represent diversity have a better chance of being selected than if culture fit is 75 percent of the decision.

Companies that do a good job of leveraging culture fit in making high-quality hires do so by acknowledging and objectifying the culture and making it mappable to specific skills, abilities, values and motivators of candidates. This can be done on a score card, just as knowledge, skills and abilities are measured.

For example, if it is known that the corporate culture values employees' relationship-building skills, this should be assessed on the candidate score card. If it is not assessed, a candidate who comes off as timid in the interview but has a knack for building strong relationships quietly may be dismissed by hiring managers on the assumption that the candidate won't fit with the extroverted culture.

Many companies have recognized the value of diverse hiring, and several are making great strides in combating bias. But not everyone is there yet. The companies at the forefront of effecting change through diversity and inclusion are usually large employers, because they have more resources to allocate to such efforts.

However, large employers make up only a small percentage of U.S. companies. Of the 5.6 million U.S. employers in 2016, 89 percent had fewer than 20 workers, according to the U.S. Census Bureau's Annual Survey of Entrepreneurs.

Assessing candidates for culture fit helps ensure their success.

NO Human capital has a direct impact on an organization's financial performance, research shows. The people within an organization can provide a competitive advantage—or a disadvantage. Therefore, making the right hiring decisions is critical.

As a talent acquisition professional, I believe the interview process should capture a multifaceted view of the candidate. Candidate evaluation should be based on two key factors: what people can do and how they will go about doing it.

The "what" component is usually found on the candidate's resume. What are the skills, knowledge and experiences this person will bring to the team? The "how" component, however, is less evident, which is why few companies hire based on the resume alone.

The "how" is best assessed through what is commonly described as "culture fit." This fit assessment considers a candidate's attitude, motivation and values, and whether she is aligned with the culture. The style and approach required to be successful at one organization may not transfer to another. For example, some organizations operate by empowering the team, requiring individuals to take a consensus-based approach. Other organizations may lean heavily on hierarchy, allowing those who can navigate power dynamics to be more likely to thrive.

Google, a leader in the use of people analytics, has made significant changes to its interview process. It has banned its infamous brainteasers and promotes the use of structured interviews. However, despite a clear willingness to change, the company still assesses job candidates for "Googleyness," which it defines as someone who is comfortable with ambiguity, is action-oriented and has a collaborative nature. This signals that there are factors beyond skills and knowledge that are important to the hiring decision.

If we don't consider culture fit, we would focus solely on the individual, disregarding the context in which he needs to perform. Studies show that employees who share their company's values and fit with the culture have higher job satisfaction, superior job performance and greater retention.

In using culture fit, it's critical to define and create shared meaning among interviewers of what this "fit" means. A lack of consensus renders "culture fit" at risk of being misused in the candidate evaluation. It can become code for "this person isn't like me." The benefits of diversity within teams are proven, and exclusionary hiring decisions can subtly undermine a firm's diversity objectives.

However, we can't eliminate the relevance of culture fit in hiring decisions simply because it can be misused. Instead, we must be vigilant, ensuring it is well-defined and using it to enhance the quality of hiring decisions. Our company, Chatham Financial, endeavors to create shared meaning among employees by defining its culture through a few foundational concepts, such as the importance of establishing trust.

Has culture fit been misused by interviewers to cover their bias? Yes. Have talent acquisition leaders and hiring managers allowed this to go unchecked? Yes. Should culture fit be eliminated from consideration in the hiring decision? No.

It would be unwise to remove consideration of how a person will function in your particular work environment. Hiring decisions should be based on more than just a resume. They should consider people as a whole - both their experiences and how they work.

That's not to say that small businesses categorically promote bias. But small businesses have fewer resources for such efforts as training for unconscious bias. And, until bias awareness and education make their way into the smaller (and larger) operations that need them, companies and candidates alike will miss out as hiring managers overlook qualified, diverse applicants.

About The Schegg Group

The Schegg Group has been in business for over 30 years providing Career Transition, Coaching, Talent Acquisition, and a full spectrum of HR training programs and services. We strive to also provide our clients with the tools they need to manage the "human side" of their businesses.

If you would like more information, please **call 203.538.8802**, email **pmayer@schegggroup.com** or go to **www.schegggroup.com**.