How to Develop a Diversity and Inclusion Initiative

Employers use diversity and inclusion initiatives for both compliance obligations and to increase the overall bottom line with a more diverse workforce. Developing a diversity and inclusion initiative involves four main phases:

1. Data collection and analysis to determine the need for change.
2. Strategy design to match business objectives.
3. Implementation of the initiative.
4. Evaluation and continuing audit of the plan.

The following nine steps break down these main phases into action steps employers can take to develop a diversity and inclusion initiative.

Step 1: Compile Data

Employers must first know what their workforce looks like compared with the labor market. By capturing data on employee demographics, an employer is better able to understand the diversity of its employees and identify any areas of concern or trends. Historically, these data have included federal and state protected categories; however, recent trends indicate that other factors, such as personality type and thinking/learning style, may also be of value, though perhaps harder to find national comparative data for. If so, an employer may have to track its own data on these categories over time and determine what need for change may exist. Demographic data may include the following:

- Age.
- Disability.
- Ethnicity/national origin.
- Family status.
- Gender.
- Gender identity or expression.
- Generation.
- Language.
- Life experiences.
- Organization function and level.
- Personality type.
- Physical characteristics.

- Race.

- Religion, belief and spirituality.

- Sexual orientation.

- Thinking/learning styles.

- Veteran status.

Multiple resources are available to capture these data. Some employers may already have much of this information available in their HRIS system from affirmative action plans and EEO reporting obligations. However, most employers will need to survey their workforce through voluntary self-identification to obtain additional data such as religion and sexual orientation. It may be challenging to gather diversity data from employees initially, especially when employees are unsure of how the data will be used or if there is general distrust of leadership in an organization. If this is the case, an employer may want to use a third party or survey technology to capture information that will be reported in aggregate without identifying information.

In addition, it would be useful to gather information about the current company culture regarding diversity and inclusion. Again, surveying employees can help shed light on their perception of the company in relation to encouraging and appreciating diversity in the workplace. *See* Diversity Survey (www.shrm.org/resourcesandtools/tools-and-samples/hr-forms/pages/diversitysurveys.aspx).

Nontraditional differences such as personality traits or life experiences can also be measured. Employers can conduct personality testing of the workforce or include open-ended questions on employee surveys to collect information regarding life experiences or other information employees may want to share about themselves.

Step 2: Identify Needs and/or Areas of Concern

Once data are collected, underrepresented areas can be identified. To do so, employers should begin with a high-level review of demographics such as age, sex and race representation, and then continue to drill down by location, department, position, etc. Identification of underrepresented areas can include questions such as:

- Is management full of older white males?

- Does the accounting department tend to hire only females?

- Are employees at the West Coast branch more ethnically diverse than their East Coast counterparts?

Additional information gained from employee surveys can help identify other areas of concern. Employee attitudes on culture may or may not match the demographic survey results. If they do match, then the employer has a clearer path to what change is needed; if not, the organization may wish to conduct employee focus groups to better understand the disconnect. In addition, if results indicate little to no diversity in sexual orientation or religion, for example, it is possible that individuals don't have trust in the organization to divulge such personal information. As suggested in the previous step, employers may need to outsource the data collection or use other means to collect data anonymously.

Step 3: Address Policies or Practices Affecting Diversity

Employers must determine if there are barriers impeding the employment of individuals from different demographic groups. Organizations should consider if any policies or practices need to be eliminated or adjusted. Some examples to start with include:

- **Employee referral programs:** Studies show that although employee referral programs can be an excellent sourcing solution, they often result in "like me" referrals, where employees refer candidates of the same race, religion, national origin or other class. This can lead to adverse impact and claims of illegal discrimination; it can also thwart diversity initiatives. Employers may need to limit the use of employee referrals or consider other sourcing options to supplement the referral program.
- **Unconscious biases**: Are there certain departments that are underrepresented in relation to the labor market? Is it possible that the hiring manager is selecting individuals based on biases against certain groups? If a particular manager's department is significantly less diverse than other departments, a review of the selection procedures of that particular manager may be warranted.
- **Company culture:** Apparent preferences toward pro-life, traditional marriage and other aspects often associated with religious beliefs can repel candidates of differing beliefs or lifestyles. An annual Christmas party and recognizing only Christian holidays in a workplace can unintentionally send a message that only Christian employees are welcome. Employers must consider holding a holiday party instead and provide floating holidays that employees may use for the multitude of religious observances.
- **Political preferences:** An employer with political signs and/or messages on its property may discourage individuals with different viewpoints from applying. A bumper sticker on an employee's car supporting a candidate who differs from a manager's choice can affect the manager's perception of the employee, as well as the manager's decisions regarding pay, performance and promotion. An employer must consider how political preferences may be creating a disadvantage for applicants as well as current employees and remove those barriers by physically removing political messages in the workplace and/or training the workforce about respecting differing opinions. The organization must take appropriate disciplinary action when employees, including supervisors or managers, are intolerant of differences.

Step 4: Identify Business Objectives

Identifying how a diverse and inclusive workforce can aid in achieving business objectives aligned with the company's strategy is the next step in the process. The organization must set specific goals related to diversity and inclusion based on the company's strategic objectives. For example, the U.S. Department of Veterans Affairs (VA) has a goal as part of the overall strategic plan to "Make VA a Place People Want to Serve."[1] As part of this goal, increasing diversity index scores is one of the agency's performance indicators. Because its clients are becoming more diverse, the agency is responding by embracing a more diverse and inclusive workforce to better serve the population. Specific diversity goals were created to recruit more white and Hispanic males as well as Hispanic females after a comparison with the available labor market.

Another example might be around a business goal to create more innovative products an employer can introduce quickly to surpass the competition. To do so, the employer wishes to increase innovation in the research and development (R&D) teams. One way to accomplish this goal could be to build cultural competence and inclusive decision-making within the team through

training, which could more effectively harness existing team diversity and capitalize on diverse ideas.

Step 5: Procure Buy-in and Support

For the diversity initiative to succeed, senior level buy-in and support are vital. Senior management must understand the business case for diversity and inclusion initiatives, with direct links to the company's strategic goals. It is helpful to identify a senior-level champion who can be tasked with visible support of the initiative and ultimately responsible for keeping the program "alive."

Another task is to identify how management will be held accountable for supporting and engaging in the diversity and inclusion initiatives. Examples of manager expectations include ongoing dialogue with staff regarding diversity and inclusion, training for team members, and holding direct reports accountable for their individual actions related to fostering a diverse and inclusive workplace.

An optional but recommended step is to create a diverse committee of employees from all levels with visible leadership presence and support. The committee is tasked with implementing the goals defined in the previous step and promoting diversity and inclusion in the workplace. The employer should provide the committee with a clear mission, defined budget and expectations/performance indicators. Diversity committees meet regularly and are typically tasked with the following:

- Promoting training and events to bring awareness to diversity and inclusion in the workplace.
- Engaging co-workers in diversity and inclusion conversation and training.
- Reviewing and developing policies and procedures that will promote workplace diversity and inclusion.

In the absence of a diversity and inclusion committee, an employer can designate responsibility for the above tasks to management or consider hiring a diversity and inclusion specialist to run the program.

Step 6: Implement Initiatives

Examples of diversity and inclusion initiatives are changes in policies and practices, staff training, targeted recruiting, and employer-sponsored diversity and inclusion awareness events for employees. The employer must develop an action plan to implement these initiatives by setting realistic goals and starting with the elements that have the greatest business value or that are readily achievable to build momentum for the initiative.

Below is an example of an action plan:

Initiative: Build R&D team cultural competence and inclusive decision-making to ensure the team can more effectively harness existing team diversity and capitalize on diverse ideas.

Responsibly: SVP R&D, Director R&D

Action items: Cultural awareness and competency training, team-building exercises, ongoing dialogue regarding diversity and inclusion with R&D team one on one as well as during team meetings.

Timeframes: Culture awareness and competency training: within 6 months; team-building exercises: annual staff retreat and monthly meetings; ongoing dialogue: as needed and ongoing during staff interactions and meetings.

Step 7: Communicate the Initiatives

Employers must identify different stakeholders and design messages for each stakeholder to inform, educate, engage or empower as appropriate. People vary in how they understand messages, and it is important for each person to receive an ongoing stream of communications about the initiatives. The communication plan should incorporate executive presentations and all available media, including social media. Newsletters, intranet and e-mail can also be successful communication tools. The organization should use metrics and success stories to connect the diversity and inclusion efforts to its own goals and strategic plan.

Step 8: Measure and Disseminate Outcomes

It is imperative to measure the results of the diversity initiatives that have been implemented. Outcomes such as increased representation of identified groups and improved employee survey scores should be captured. Other measurements, such as improved employee retention, and public recognition, such as employer awards or social media accolades, can also indicate how an employer is performing in its diversity and inclusion initiatives. Although some efforts may seem intangible, there are measures that can indicate the success levels of such action items. If diversity training is implemented to increase retention, participant retention can be tracked over time, and participants can be surveyed to determine if training was a factor, and how much so, in their continued employment.

The results of the initiatives should be communicated at all levels to demonstrate the return on investment and value-add to the organization. Communication tools can include infographics for senior leadership meetings and public affairs, memos to staff, and company website videos for potential candidates.

Step 9: Review and Adjust

Diversity and inclusion initiatives are not static, and an ongoing review of the workforce and a response to changing needs are necessary. The employer must establish procedures for periodic review of the diversity and inclusion initiatives and goals. After a diversity initiative has been implemented for a period of time, the employer should resurvey employees regarding their

perceptions of the company's efforts. Periodically, an organization may need to start at step 1 again and collect data to refocus its diversity and inclusion program.

Endnote

[1]Department of Veterans Affairs. (n.d.). FY 2014-2020 strategic plan. Retrieved from https://www.va.gov/op3/docs/StrategicPlanning/VA2014-2020strategicPlan.pdf (https://www.va.gov/op3/docs/StrategicPlanning/VA2014-2020strategicPlan.pdf)

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