# Why You Should Do More than Just Talk About Workplace Diversity

by Susan Medina and Peter Gomez Originally Published in **Fast Company** 



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# Why You Should Do More Than Just Talk About Workplace Diversity

Google recently disclosed its unsurprising lack of employee diversity, reporting that its staff is 70% male and 61% white.

In a <u>blog post</u> about their diversity efforts, Google's SVP of People Operations Laszlo Bock provided some details on how they plan to build a more diverse workforce--like working with historically black colleges to build more robust computer science programs, for example.

These proactive efforts to build diversity are becoming more common, and we're even seeing a number of trailblazing organizations tie executives' bonuses to diversity goals. For example, Sodexo, ranked second on DiversityInc's Top 50 survey, ties 25% of top executives' bonuses and up to 15% of senior management's bonuses to diversity goals.

As more and more companies publicly commit to building diversity, they'll encounter a classic supply and demand dilemma. The demand for diverse talent will surge, but the supply won't.



# About Our Firm

Founded in 1963, Battalia Winston is one of the world's largest womanowned executive search firms and is consistently ranked as one of the top fifteen executive search firms by Kennedy Publications. The Firm is headquartered in New York City with offices in Boston, MA; Chicago, IL; Edison, NJ; Los Angeles, CA; and Washington, DC. Over the past 50 years we have conducted executive search assignments and established expertise in virtually every major industry and functional area. Clients range from early stage companies to Fortune 10 global enterprises. Minorities continue to make up a fraction of educated, qualified candidates. Of the students obtaining bachelor's degrees each year, about 80% are white. White employees are much more likely to be on a career trajectory toward senior management or executive leadership. And, as Google pointed out, this will be an even bigger problem for companies that rely on expertise in engineering and science, since women make up only 18% of graduates with computer science degrees and Blacks and Hispanics make up less than 10% each.

If employers blindly attack the limited pool of diverse talent without a proactive diversitybuilding strategy, they'll fall victim to one of these common pitfalls:

# 1. Becoming a Revolving Door for Recent Grads

When employers embark on diversity and inclusion initiatives, they often bring in diverse entry-level talent and think their work is done. But this approach backfires when young, diverse talent sees a leadership team consisting of primarily white men. Unable to see themselves growing with the company, they'll plan an exit strategy

#### 2. Forgetting About the Inclusion Part

Employers tend to ignore inclusion, focusing on talent acquisition but failing to develop an internal culture that embraces diversity. The result is expensive, productivity-sucking employee turnover and a culture that develops a reputation for exclusion, further perpetuating the problem.

#### 3. Making It An "HR Problem"

Corporate leaders ask HR managers to identify diverse candidates, assuming that Diversity & Inclusion is a single initiative handled by recruiters. But to achieve sustained diversity, there must be a number of simultaneous, coordinated

# Battalia Winston's Diversity & Inclusion Expertise

Our Diversity Practice is comprised of Diversity & Inclusion experts who harness their years of experience and varied backgrounds to deliver an inclusive slate of candidates for every search assignment. We specialize not only in filling vacancies in leadership but in proactively developing diverse talent pipelines to help companies achieve sustained, meaningful diversity in their workforce.

Over the last 50 years, we have placed hundreds of diverse executives at top organizations throughout the world. We've most recently helped organizations such as W.W. Grainger, Baxter, Coca-Cola, and Whirlpool.

"We are a midsized, privately held business doing business globally. BW met the challenge by providing a choice of outstanding candidates who met our needs. Half of the North American senior management has come from BW, and that could only be accomplished by having a thorough understanding of our company, its culture and its customers. BW's value proposition is centered on its personal touch and a driving interest in helping its clients achieve success. That trusted partner role sets BW apart. They will always be our first call."

~David Macaulay, EVP/General Manager, Fare Collection Systems N. America, Scheidt & Bachmann GmbH efforts across the company that should involve multiple departments and all levels of staff.

To create enduring diversity, organizations must implement proactive, long-term strategies that span the talent management cycle.

#### The first step towards achieving an inclusive workforce requires developing a pipeline of

diverse candidates that spans a broad spectrum of experience levels, enabling companies to fill both junior- and senior-level vacancies when they arise.

# But retention is just as important as recruitment.

To make sure diverse talent sticks around, organizations must foster a culture of inclusion that prioritizes acceptance, makes room for varied backgrounds and perspectives, and, most importantly, trains all incoming employees on this core value.

Employers must also establish clear career paths and train new hires on their potential trajectories, helping employees see the company as a place to grow, not a stepping-stone to something bigger and better. Likewise, leadership should assess existing employees on relevant competencies to identify future leaders.

Corporations should likewise take a close look at their recognition and rewards system, examining how they recognize employees that meet objectives and confirming that the methods are aligned with professional development strategies.

**Employers should also be aware that, as baby boomers retire, they have the opportunity to add diversity on the tail end of the employee lifecycle.** Leadership should engage in a succession management process--sponsoring and mentoring future leaders, preparing them for a potential promotion, and encouraging diverse candidates to express their interest.

These efforts will be particularly effective with team members from traditionally underrepresented



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Susan is the co-founder of LatinoExecs, Inc., which connects clients with Latino executives within the Fortune 1000. Before LatinoExecs, Susan co-led the Life Sciences and Consumer Practice Groups at a Chicago-based executive search firm.

Susan serves on the Board of Trustees for Cristo Rey Jesuit High School. She is an active member of YWCA Metropolitan Chicago, Hispanic Association of Corporate Responsibility, and National Council of La Raza. Susan earned her BA in Business from DePaul University and speaks fluent Spanish.

smedina@battaliawinston.com (312) 377-9905 groups who, according to research from <u>Catalyst</u>, are more likely to succeed--in terms of engagement, retention, and promotions--with mentorship.

# Finally, all organizations must abandon the idea that "Diversity & Inclusion" is an isolated HR project.

Cross-departmental efforts could include partnering with universities to develop talent sources, creating employee teams to discuss and promote inclusion, or studying the customer base to ensure its diversity is reflected internally.

In the wake of Google's disclosures, a number of corporations will publicly commit to diversity building. And while it's unfortunate that it requires a PR incentive, building diversity is an effective method of fostering innovation and, ultimately, success within a company.

We see evidence of this all the time--a recent Bloomberg article showed how a group of diverse MBA candidates was able to outperform more homogenous student groups because they thought outside of the box on a service-learning project in South Africa. In their report, "Talent at the Table: Index of Women in Power and Utilities," EY found that global power and utility companies with high diversity scores realize a return on equity (ROE) of 7.5%, while those with less diversity see an ROE of only 4.5%.

It's important to acknowledge that diversity building is a proven growth strategy, not a superficial endeavor. But paying lip service to diversity and inclusion without a proactive strategy will lead to failure. Organizations need to prioritize, collaborate, and think long term.



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Peter serves on the Board of Directors for Chicago Scholars Foundation, which assists talented but underresourced high school students overcome barriers to collegiate access and success. He received his B.A. in Business from Lake Forest College and his M.B.A. and J.D. from the University of Illinois at Urbana-Champaign.

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