



When Your Corporate Diversity Strategy Isn't Enough

Activists, employees and a growing subset of the public are calling for more than standard-issue 'D&I' programs. What do companies need to do?

By Cathaleen Chen

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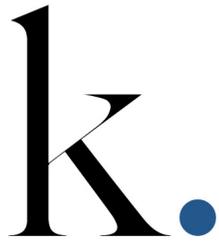
NEW YORK, United States — “I have a hard time accepting diversity as a synonym for justice. Diversity is a corporate strategy. It’s a strategy designed to ensure that the institution functions in the same way that it functioned before, except now that you now have some black faces and brown faces. It’s a difference that doesn’t make a difference.”

The words of American civil rights activist Angela Davis, addressing students in 2015 at the University of Southern California on the 43rd anniversary of her release from prison, have particular resonance today, as major companies scramble to upgrade their “diversity and inclusion” strategies after the killing of George Floyd forced society to confront systemic racism.

In recent days, fashion brands from Sweden’s H&M to Italy’s Prada have voiced their opposition to racism and support for equal rights. But even after a series of public relations scandals prompted brands and retailers to form diversity councils and hire chief diversity officers, the fashion industry has little to show for it. “D&I” meanwhile has become a corporate buzzword lacking substance.

Recent studies have shown that even companies that have prioritised diversity and inclusion have tokenised their own initiatives, largely failing to support them with adequate resources and stopping far short of embedding diversity into their leadership teams and business models.

Part of the issue is the industry’s self-regard. “There is this idea that, because this is art, because we are creatives, the types of people we bring into our companies are all open-minded, so we don’t need that intentionality around diversity and inclusion,” said Derrick Gay, a diversity and inclusion strategist and lecturer at IFA Paris.



But serious efforts to deliver real diversity and inclusion require deep changes like tying outcomes to financial gain and overhauling hiring processes. BoF outlines the basics on how companies need to design their diversity and inclusion strategies to drive genuine change.

Invest in Diversity, Expect a Return

Surveying chief diversity officers (CDOs) at nearly 100 companies, a 2019 study by business development firm Russell Reynolds Associates found that diversity and inclusion initiatives often fail because they are disconnected from business priorities and that CDOs rarely have the resources and support to create long-lasting change.

“When you look at the roles of [CDOs], it’s not actually clear what they’ll do,” said Anu Gupta, founder and chief executive of Be More America, a firm that helps corporate leaders to break unconscious bias. “There’s almost a cultural understanding that [D&I] is not a serious role... The people I know who are CDOs are constantly battling the company to do little things.”

Another common mistake is relying on employee resource groups (ERGs) for minorities to do the labour of voicing concerns and suggesting policies. “It should never be up to employees of colour who volunteer their time to solve these issues,” said Natasha Bowman, founder and chief executive of Performance Renew, a talent management firm.

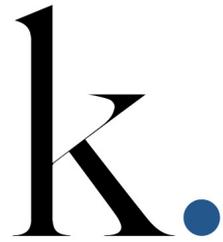
To empower CDOs and their departments, businesses must embed D&I into wider business strategies and give these teams adequate power and budgets to create and impose policy. Treat D&I as if it was just as important as product development, accounting or marketing, said Gay.

“You need to articulate an ROI that you expect from diversity and inclusion,” he added, encouraging companies to see D&I as something that has the power to “fuel innovation and increase your bottom line.”

A 2018 Boston Consulting Group study found that companies with more diverse management teams have 19 percent higher revenues. Only by setting a revenue expectation will a company take D&I seriously, said Gay.

Revamp Recruitment Protocols

The traditional hiring process is one of the most insidious barriers to diversity, both in terms race and socioeconomic status. The first place to start is with reexamining the rejection of candidates on the basis of “cultural fit,” experts said. “Cultural fit is code for implicit bias,” said Bowman. “It’s because [the candidate] didn’t look like the hiring manager and didn’t



come from the same background... Whenever I hear someone say ‘it wasn’t a good cultural fit,’ a lot of the time they can’t even answer what that means.”

Companies also need to revamp how they source candidates in the first place. “Many times we use the circles we know, and internally have employees recommend people,” said Gay. “And then you just begin hiring yourself: people who look like you, who talk like you, who went to the same school as you.”

One solution is requiring every candidate to meet the same set of qualifications using a blind hiring process. There is HR software, for instance, that facilitates recruitment efforts without revealing a candidate’s name, alma mater or race to hiring managers, suggested Gay. Another easy way to improve the process is to have structured interview guidelines, so hiring managers use the same set of questions to interview candidates, he said.

Hiring managers themselves must be vetted and trained in acknowledging implicit bias, according to Kyle Rudy, senior vice president at Kirk Palmer, a recruitment firm for fashion and consumer companies. “Be thoughtful about who is leading the process,” he said. “An organisation’s entire diversity and inclusion programme can be undermined by the action of a few.”

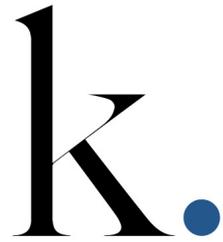
Companies could also consider policies such as the American National Football League’s Rooney Rule, which requires every team to interview ethnic minority candidates for head coaching and senior operation jobs, said Cynthia Burt, part of the mother-and-daughter duo behind Dur Doux, a Washington, DC-based fashion label. “It’s a business strategy where you focus on methodologies for bringing in black [talent] at every decision making level, and fashion needs something like that too.”

Clear Rewards & Punishment

At the individual level, success should be tied to clear rewards, while failure must be met with punishment, said experts, who cited rules like “three strikes and you’re out” for harassment and bad behaviour.

Executives must “model it, incentivise it and provide rewards and punishment for behaviours that aren’t inclusive,” said Gay.

This means employees should be evaluated in formal annual performance reviews, not only on their traditional work outputs, but also on their willingness to collaborate and respect for others, he continued, and if they fail to meet the standards, they should be reprimanded.



Leadership should also be held to clear diversity targets through tangible incentives. The American banking and investment firm Wells Fargo announced last Tuesday that members of its top operating committee will be graded annually on how much they increase diversity within their respective teams. The ones that do well will get bigger bonuses, the company said.

Long-Term Commitment

Genuine diversity requires a long-term commitment.

Too many well-intentioned companies make diversity training for both leadership and employees a one-time event and then revert to business as usual. “Unconscious bias is scientifically, a habit of thought,” said Gupta of Be More America. “Imagine if you had a cigarette addiction and basically someone told you, you’re going to this overcoming smoking workshop for an hour and then you’ll be able to not ever smoke again.”

In order to truly change the culture of a company and train employees to catch biases, training sessions must be regular: five to 10 minutes of practicing stereotype replacement a day for four to eight weeks, Gupta suggested. His company is currently working on an app that delivers this experience, he said, like Duo Lingo meets Headspace but for implicit bias training.

The progress must be constantly assessed, according to Darnisa Amante-Jackson, president and co-founder of the Disruptive Equity Education Project (DEEP), a professional development organisation that specialises in diversity and inclusion.

This could take the form of quarterly listening sessions, in which employees have the chance to talk about feelings of belonging or lack thereof, regularly surveys that gauge employee sentiment and periodic cultural audits from third-party firms.

“The first thing is stop doing what you’ve always been doing,” said Gay. “If you keep doing what you’ve always done, you’ll yield the same outcome.”