Diversity
Best
Practices

Setting and Achieving
Diversity Targets
Updated 8/2017

Goal setting and target setting have always been a point of controversy in the field of Diversity and Inclusion. Do we set goals and targets? If we do, will we open ourselves us to discrimination practices and negative pushback?

Establishing realistic, achievable and relevant goals tied to accountability serves to drive change and results. There are very few business imperatives or business plans that do not have clear goals and deliverables tied to them. And probably fewer that if not met repeatedly, are allowed to continue their lack of progress without repercussions.

Setting goals and objectives are best set when both aligned to business strategy and when considering facts and relevant data. Leverage data such as employee demographics, customer feedback and demographics, market segmentation opportunities, global growth opportunities, and engagement survey data to identify gaps and opportunities. Many organizations consider objectives aligned to four areas: organizational culture/employee engagement, talent and career advancement, market/commercial impact, and community impact.

Research has proven the quip "what gets measured, gets done." In the McKinsey and LeanIn collaborative report "Women in the Workplace 2015" researchers found that companies with gender targets from 2012 to 2015 saw growth in female representation at entry levels, while those without formal targets lost ground. The report also found that the UK, a country that has set diversity targets for boards, has 22 percent of boards that reflect the demographic composition of the countries labor force and population compared to 9% in Brazil and 7 percent in the U.S.

The Bersin by Deloitte 2015 High Impact Talent Management research also found that companies that are inclusive have 2.3 times higher cash flow per employee over a three-year period, 1.8 times more likely to be change-ready and 1.7 times more likely to be innovation leaders in their market.

There are a multitude of additional research reports (check DBP Research Library "ROI Diversity") to support the goal setting business case.

Since 2016, the added pressure of public perception is forcing companies to more proactively drive the process of making spheres normally dominated by men or white employees more diverse. Here are examples of organizations who are establishing goals in an effort to forge their path toward gender and racial parity.

Pinterest

In 2013. Tracy Chou (a female Asian-American programmer) disclosed to the world the lack of diversity at her organization. In an effort to fix the problem, Pinterest brought in more applicants from nontraditional backgrounds yet the diversity numbers did not improve. CEO Ben Silbermann and cofounder Evan Sharp realized they had to give their employees a reason to care about diversifying and prove that diversity was about the bottom line.   By sharing these goals publically, Pinterest is held to a higher degree of accountability.

Here are the [2016 Goals](#)
- Increase hiring rates for full-time engineering roles to 30% female.
- Increase hiring rates for full-time engineers to 8% underrepresented ethnic backgrounds.
- Increase hiring rates for non-engineering roles to 12% underrepresented ethnic backgrounds.
- Implement a Rooney Rule-type requirement where at least one person from an underrepresented background and one female candidate is interviewed for every open leadership position.

Twitter

In 4th quarter 2015, Twitter publicly established goals as well, adding insight into the importance of in depth research and thought in establishing their goals.   Janet Van Huysse, vice president of diversity and inclusion, says Twitter looked at a variety of data, including Labor Department statistics, to set "credible and achievable" goals.

Here are the [2016 Goals:](#)
- Overall increase to 35% female by the end of 2016 (1% increase). Increase women as a percentage of the total workforce by the end of 2016 from 1% to 35%.
- Increase women in tech jobs to 16% (3% increase)
- Increase women in leadership roles to 25%
- Increase underrepresented minorities overall to 11%
- Increase underrepresented minorities in tech roles to 9%
- Increase underrepresented minorities in leadership roles to 6%

LinkedIn

Director of Engineering Growth and Women in Tech has 20% (salary & bonus) of her time tied to LinkedIn' overall diversity goals. Other employees have 5% tied to diversity goals.

Here are the 2016 [goals](#):

- LinkedIn does not have specific number goals, but wants to thwart "unconscious bias" through documented "acts of inclusion."

Intel

CEO Brian Krzanich announced the diversity goals of Intel during his keynote speech at the opening of the 2016 International CES. Intel achieved its diversity goals in 2015 partly because the company tied the hiring to manager bonuses – the goal was 40% women and underrepresented minorities for new hires and 43% was achieved.

Here are the 2016 goals:

- Set up a $125 million fund to invest in companies owned by women and underrepresented minorities.
- Reach full representation of women and underrepresented minorities in its U.S. workforce by 2020.

Walmart

Walmart's CDO Sharon Orloop and CEO Mike Duke are committed to meeting specific D&I goal by specific dates.

Here are some of the 2016 Goals:
- Increase sourcing from [Women-Owned Businesses](#)
- Empower nearly 1 million women through training
- Promote diversity and inclusion representation within our merchandising and professional services suppliers
- Veterans Welcome Home Commitment will guarantee a job offer to any eligible U.S. veteran honorably discharged from active duty
- Hire 100,000 veterans by 2018, increasing the projection to 250,000 veterans by the end of 2020

Sodexo

CEO Michel Landel is committed to D&I efforts and sets percentage goals for his organization. He set a goal of 25% female representation among top 300 senior executives and by 2013 was at 23% female representation.

Sodexo uses a [1,000-point scorecard](#), and the scorecard measures recruiting, retention and promotion of women and minorities. The employee starts earning points at 80 percent, and the scorecard and points are linked to performance bonus. The bonus is 10-15 percent of the managers and executive's bonus. An important characteristic of the bonus is that it is decoupled from the company's financial performance. The 2016 D&I goals have yet to be announced.

Many companies are successfully changing the demographics of their employee base to reflect the population they serve. The practices listed above are examples of prioritizing diversity by tying to accountability to drive results and drive bottom line impact.

However, as stated above, resistance can be expected.

Expect Challenges:
- Resistance to concept of "quotas" in the US
    - e.g. Europe (esp. Scandinavia) has historically used quotas to positive results (women, people with disabilities)
- Fear/survival response of "what if we sacrifice quality"
    - Fear that diverse candidates will not be the most knowledgeable and will only land a job to satisfy diversity goals
    - Current employees fear job security aka, "what's going to happen to me?"

Best practices:

- Establish clear communication strategy and messaging. Include frequently asked questions that include responses to the challenges listed above. For example, when we suggest that we are sacrificing quality, we are wrongly assuming that diverse candidates don't have capability/talent. The truth is, we are expanding our net and pool to ensure talent is gained from all walks of life, not just one.
- Engage champions and include stakeholders in the planning process and in helping to share messaging, rationale, and process.
- Understand and research the pool in which you are pulling from: look at labor statistics
- Set realistic and achievable goals based on market, internal and competitive data and have the goals align with "business objective approach."
    - e.g. match labor pool, match rates of white men (promotion, retention)
    - benchmark with partner universities and colleges to understand demographics. Broaden partner schools for wider pool
- Provide individual business line/function reporting vs. aggregate to better assist in pinpointing gaps and solutions
- Establish a grace period. Change is a process therefore it is important to institute, communicate and manage cultural change. Establish the baseline and then tie the D&I goal to compensation in the following year.
- To ensure proper metrics, report and review two times annually. Use metrics to conduct regular pipeline analysis at each level.
- Data and targets should be holistic- not just on hiring, but on retention, promotion and development plans.
- Set % growth goals rather than absolute number goals.
- Use the concept of "gap filling" to set goals

- Make sure to set goals at each level of the hierarchy non-manager, manager, senior manager, executive

Sample metrics:
- Hiring, retention, promotion, lateral mobility numbers
- Velocity of movement (how long it takes to hire, promote or move laterally)
- Percentage of development, succession and talent plans that include underrepresented groups
- Velocity of development plan completion (how long does it take to implement plans)
- Percentage of sponsorship, mentorship program participants who are from underrepresented groups
- Number of sponsorees, mentees with positive movement as a result of program
- Engagement and D&I index scores per leader
- Percent of the talent pipeline that is diverse
- Number of ERG active members, active allies
- ERG ROI impact (e.g. #Recruits, # referral conversions, $ sales, market development, community giving, supplier diversity support, retention impact (turnover reduction))
- Employee engagement scores or survey results parsed by race, gender and other underrepresented categories