CRITICAL PARTNERSHIPS to Drive D&I Success
Introduction

Over the past few decades, companies across corporate America have made significant progress toward diversity and inclusion (D&I). The majority comply with legal requirements and have established a formal governance structure for the enterprise. Employees at all levels are trained on the principles of D&I, and employee resource groups are engaged across a wide range of diversity dimensions. However, many organizations still have a long way to go when it comes to integrating D&I principles into their core business strategies and embedding D&I as a primary factor in decision-making - at all levels and across all operations.

D&I programs no longer focus solely on employee issues. Today’s D&I purview includes innovation, sales and revenue generation, market growth, brand positioning and PR, corporate philanthropy, and managing community and marketplace relations. Best practice companies are leveraging D&I strategies to enter new markets, build relationships within those markets, and establish credibility across different cultural contexts. D&I has evolved into a core business function and become central to gaining and maintaining a strategic advantage.

To be impactful, D&I must be embedded into wider organizational structures and processes. Collaboration and establishing trusted partnerships across business operations, systems and structures is crucial to getting diversity and inclusion right and achieving real change.
Engaging Leaders as Partners, Champions and Role Models

The most successful companies have D&I strategies that start at the top. Corporate executives are engaged as full partners in the effort and are actively involved in D&I activities as spokespersons, sponsors, mentors, D&I council members, and ERG leaders. Leaders that are invested in the D&I effort are transparent and accountable, and set an example through the makeup of their leadership team. They align D&I principles around core business strategies, embed diversity as a key factor in decision making, and their compensation and incentives are directly linked to D&I outcomes.

Leadership commitment to D&I as a business imperative is crucial to getting the buy-in of other members, and a critical factor in securing the budgetary and human capital resources necessary to launch and sustain the effort. Engaging corporate executives as D&I champions and program drivers means investing them in the business case for D&I. Many companies still have work to do in this regard. Despite widely publicized statistics on the D&I return on investment (ROI), in the Diversity Best Practices (DBP) 2017 Inclusion Index, only 36 percent of companies set specific business goals to measure the impact and ROI of diversity initiatives. In a 2016 DBP benchmarking study of CEOs, 88 percent of CEOs can articulately state their business case and have diversity action plans in place. However, only 24 percent have organization-wide performance objectives tied to D&I, and just 39 percent require their direct leadership team to report on D&I metrics. Without the full support of senior leadership, D&I will not become an enterprise-wide priority.

**Investing in company leaders**

- Establish the business case and D&I ROI.
- Assess leaders D&I competence to understand how to best engage them.
- Involve company leaders in developing D&I strategy and establishing the link to business mission.
- Create opportunities for executive sponsorship and mentoring.
- Provide executives a role on diversity councils and ERGs.
- Include leaders in the D&I narrative as spokesperson, champion, role model.
- Work with leaders to develop accountability measures for D&I progress, for all levels of the organization starting at the top.

For more insight, see the DBP report: Engaging Men as Allies
Intersection of D&I and Human Resources

The pressing need for organizations to compete in a global economy, develop a diverse pool of talented leaders, and continually innovate across different cultural contexts, has heightened the importance of instilling a D&I focus in HR strategy. Diversity and inclusion goals are met when they are aligned with HR policies and actualized through HR practices. HR must be included as a full and transparent partner in areas such as D&I metrics, diverse marketing collateral, targeted recruitment, mitigating unconscious bias, developing inclusive policy, and developing cultural competencies. Establishing strong collaboration between D&I and HR organizations is essential to ensuring D&I is institutionalized in HR processes and embedded in the organization.

Best practice D&I programs also rely on their HR partners to help them engage company leaders and develop meaningful partnerships with managers. They play a key role in developing company leaders and managers as D&I champions and coaches, and their involvement is needed to remove barriers and establish accountability.

Middle managers in particular play a key role in the D&I process, and have a profound impact on productivity and culture. They also manage a workforce that increasingly take time away from day-to-day work responsibilities to participate in D&I activities - some employees have an even deeper commitment to the effort as ERG leaders working on cross-cutting teams to execute business objectives.

When D&I is successful, managers recognize and accept that D&I work is part of the organization's business strategy and within the realm of their daily responsibilities. Managers who understand this can work with HR to integrate D&I objectives into performance objectives, appraisals and development plans.

Tips for engaging managers...

- Emphasize inclusion, not just diversity.
- Educate managers on the business case for D&I and ROI.
- Involve them in setting business unit D&I goals, and get their input on barriers and opportunities.
- Get managers involved on diversity committees and ERGs
- Provide opportunities for high visibility and exposure to leadership.
- Select influential managers to champion the effort.
- Provide training on unconscious bias, hidden inequities, and concepts of privilege.
- Tie compensation and advancement opportunities to D&I goals and outcomes.
Partnering with legal counsel:  
Shifting the enterprise from risk management to business driver

Companies pursue many avenues to build a more diverse and inclusive workforce, and a critical partner in that endeavor is the corporate legal counsel. Currently, one of the biggest barriers in D&I efforts is the inability or lack of approval to measure, track and use diversity data. Corporate legal counsels often require lengthy protocols and approvals before allowing D&I information to be collected and/or shared. When approval to collect the data is obtained, legal teams often restrict how the information can be used or shared for fear of risk exposure or lawsuit vulnerability.

There are a number of common resistance points made by the legal department when approached with D&I demographic data requests. A primary concern is that once certain data is tracked, it becomes discoverable and can be submitted in a court of law as evidence. There are also concerns that once information is shared, it may be misconstrued or taken out of context. For example, if the demographics aren't favorable for diversity, it might be used to claim discrimination. In reality, measuring and tracking the data for D&I purposes does not place a company at greater risk for discoverability. Data, especially HRIS data, is already available and discoverable, particularly if the company is in a government regulated industry where the EEOC requires reporting and makes that information available to the public.

The pushback from the legal department poses many challenges for D&I and HR leaders. Employee self-id and other demographic information collected about the workforce is a critical input to assessing whether the D&I effort is having the intended impact, understanding which activities are impacting demographics (positively OR negatively), and pinpointing where change is needed. In addition, the impact legal problems related to workforce diversity and equity can have on brand, reputation, community relations, and stakeholder value have become as damaging as settlement awards and legal fees. Leading companies know that to make earnest and sustainable progress in D&I, they must be transparent and accountable. Transparency provides the proof and credibility that companies are willing to commit to make a difference, and that they are working in earnest to drive measurable change. Without transparency, there is no accountability.

**CASE**: Comcast is completely transparent about its progress in diversity in all aspects of operations, including the workforce, procurement, programming, community investment, and governance. The company produces an annual D&I scorecard that reports diversity at every level, starting with the Board of Directors. It includes year-to-year metrics on ERG participation, supplier diversity spend, and its Ventures Catalyst Fund, which connects members of minority groups with capital funds. Comcast also discloses information about its online, TV and film programming for diverse audiences, and the demographic composition of talent behind and in front of the cameras.

**Leveraging D&I in corporate communications to drive brand and message**

Corporate communications can be leveraged by company leaders and D&I professionals to send a strong message about the organization’s commitment to diversity and inclusion and ensure employees, job candidates, vendors and partners are aware of its importance. Successful organizations work collaboratively to define the diversity narrative, and consider the values and interests of employees, customers, suppliers, and prospective talent. Authenticity is crucial: social media platforms and online forums like Glassdoor and
LinkedIn have removed the divide between what happens inside a company and external perceptions of the organization. Companies need to take pains to ensure their external messages accurately communicate their internal reality.

Company executives play a key role in crafting and delivering the D&I message; their involvement demonstrates commitment and inspires other members to get involved. No matter how sound the D&I strategy is, if it is not communicated effectively from the top, managers won’t take it seriously and employees will tune out. Collaboration between brand managers, D&I practitioners, and ERGs further ensures communications are relevant and reflect the company’s core D&I values and brand messaging. Managers also carry weight with peers and subordinates, and their voices lend further credibility to the D&I narrative. Employees, ERGs, managers and company leaders alike can participate in D&I related threads and discussions, and should be encouraged to post news, articles, and blogs highlighting company culture.

Progressive employers encourage their employees to communicate directly with customers and candidates and share their stories through social media and other community-based forums. Storytelling is a powerful tool for authentically communicating D&I objectives and showcasing success. Employee testimonials provide authentic insight into the company and communicate what the company values and what it’s like to work there.

Engaging employees across diversity dimensions in developing the D&I narrative will result in communications that resonate with audiences both internal and external to the organization. Consider: employees are three times more trusted than the CEO when it comes to showcasing what the company is like to work at; the average employee has a network of followers ten times larger than the company for which they work.

**Best practice strategies....**

- Use benchmarking, employee surveys, focus groups, interviews and social media to get input from internal and external stakeholders.
- Create “ERG brand councils” and charge them with test marketing collateral and brand messages: do target audiences see their needs and preferences reflected?
- Embed D&I in corporate communications and leadership talking points and messaging.
- Use intentional language and leverage ROI data to communicate that D&I is a business priority.
- Create communication champion toolkits: Provide managers with D&I language and tools to ensure frequent and timely messaging accurately reflects the company’s D&I values.
- Regularly assess how company brand is perceived in the market through forums such as Glassdoor, LinkedIn, Monster, and Facebook.
- Engage employees and ERGs in the D&I narrative to showcase culture and what it’s like to work at the company.
- Leverage corporate communication channels to profile the organization’s inclusive work environment and highlight how diverse employees are advancing.
- Establish an active social media presence to promote interaction with employees, customers, communities, and prospective talent.
- Consider creating a unique hashtag that represents company culture and hat employees can use to post information about the company and their jobs.
- Tap into diverse formats and communication channels, for example Hispanic radio and Spanish language formats.
Multicultural Product Development, Marketing, and Sales

A competitive global economy and changes in population size, age, and ethnicity have directly impacted the type of products that are needed, and how they should be marketed and sold. Companies must regularly assess whether their product development priorities and marketing and sales strategies are aligned with the communities they serve, and if they accurately reflect the cultural norms and preferences of those communities. Although some companies have tailored their sales and marketing strategies to factor gender and racial differences, today dimensions of diversity are broad-based and include religion, age, disability, and sexual orientation. Collaboration across D&I, sales and marketing, and product development functions ensures marketing strategies reflect the unique cultural and demographic characteristics of each market served.

New markets require advanced insights and skills to effectively navigate an increasingly varied cultural landscape. Best practice companies are relying on the insights, experience and expertise of their diverse employees to help them enter new markets, build relationships within those markets, and maintain credibility across different cultural contexts. Today’s diverse workforce, in effect, are serving as cultural interpreters, global marketers and, when required, cultural intermediaries. In particular, ERGs can serve as an important asset source in understanding community needs and developing targeted strategies for capturing market share. They can play a pivotal role in tapping into new markets, and help ensure that products and services developed for those markets are appropriate and culturally relevant.

**CASE:** Hyatt Hotel’s LGBT resource group, HyPride worked closely with the company’s marketing and brand strategy teams to create a marketing campaign reaffirming Hyatt’s long-time support of LGBT employees and customers. Coinciding with the Supreme Court’s decision legalizing same sex marriage, the partnership between HyPride and the marketing team was geared toward creating messaging that would be released at both the corporate and individual hotel level. Specifically, they were activated across Hyatt corporate channels, including a billboard outside of O’Hare National Airport, digital media placements on gaycities.com, and placements on Hyatt master brand social handles. As a result of the marketing push, there was a 300 percent increase in traffic to Hyatt.com/Pride in just one month, and a 17 percent annual increase in visits to Hyatt.com and hotel pages from gaycities.com.

**CASE:** Nestlé is one of the first food and beverage companies to adopt inclusive design strategies to ensure that products and packaging meet the needs of all consumers, regardless of age or health conditions. The company conducts market research and gathers external feedback to develop a more comprehensive understanding of the challenges individuals may experience opening Nestlé packaging. As one example, a study by one Nestlé design team found that the packaging used for Black Magic chocolates presented barriers for one million consumers. Among the exercises Nestlé design teams employ are gloves which replicate the impact arthritis has on dexterity, and goggles which replicate blurred vision, as well as goggles to make it difficult to see different shades of color. Once barriers are identified, design teams create solutions to overcome them, test new prototypes, and redesign the products and/or packaging so ensure access for all consumers. The company hosts continuous workshops to ensure all brand and design teams across Nestlé incorporate inclusive design goals in product development.
D&I: Playing a Lead Role in Philanthropy and Corporate Social Responsibility

Many companies are increasing employee engagement through a culture of volunteering and giving, and providing support to the communities where their employees live and work. Forging a partnership with D&I and leveraging ERGs to develop and implement these initiatives ensures that the organization’s philanthropic strategy centers around the diverse values and priorities of employees, customers, and the communities in which the company operates.

Millennial workers in particular value corporate social responsibility (CSR), and want to work for companies they perceive as good corporate citizens. Consider: 63 percent of millennial women and 45 percent of millennial men said their company’s ‘cause’ work influenced them to accept their job. Philanthropy and CSR can also have a profound impact on employee engagement. The Imperative Workforce Index found that purpose-oriented workers have 20 percent longer tenure, 50 percent greater likelihood to be in a leadership position, 47 percent greater likelihood to be company advocates, and 64 percent higher levels of fulfillment. The business case is also strong: 55 percent of consumers are willing to pay more for products from socially responsible companies.

CASE: Although not organized around a typical diversity metric, the Living Green Employee Business Resource Group (EBRG) at American Airlines reaches deep within the communities it serves to combine recycling initiatives with helping underserved diverse community pockets. The Living Green EBRG teamed up with the company’s Abilities and Veteran Military EBRGs, and the Jesse Brown VA Stand Down for Homeless Veterans, and began collecting, repairing, and donating used American Airlines uniform coats to homeless veterans. To assist in removing the airlines logos from the uniforms and making any necessary repairs, the EBRGs partnered with Recycling Avenue, a work center employing adults with developmental disabilities. Through the effort, more than 1,700 coats were donated to homeless individuals in Chicago and individuals with disabilities were engaged in meaningful employment.

Best practice strategies....

- Align CSR initiatives with marketplace demographics and employee, customer, and community values.
- Create a sustainable social policy that resonates with populations served.
- Involve ERGs in developing and implementing CSR and community-based initiatives to ensure a diversity lens and culturally appropriate messaging.
- Connect with trends, news, and strategic aspects of the company’s business to promote dialogue and engage stakeholders.
- Leverage opportunities for external recognition and media coverage of CSR initiatives and outcomes.
- Assign employees, ERGs and volunteer committees as internal CSR ambassadors and champions.
- Consider regional, cross-business, intra-brand competitions to incentivise engagement around employee passion areas.
- Showcase CSR activities as a recruitment tool, especially for Millennials who value social accountability.
- Experiment with non-traditional CSR programs that are skills-based, on-site, or virtual to engage new audiences and partners.
- Ensure CSR efforts are effectively measured, documented, and communicated to maximize ROI.
Partnering with Suppliers

Developing diverse supplier partnerships strengthens communities by creating jobs and stimulating economic growth. It helps diverse business owners acquire skills to compete for contracts, and increases levels of self-reliance and socio-economic independence in the community. Companies with effective supplier diversity programs report significant ROI through increased access to new customer groups, and stronger, more productive relationships with the communities in which they operate. Ancillary programs that pair company mentors with supplier protégés, and provide procurement training and education, are growing as more companies seek to help minority suppliers gain access to contracts.

The partnership between the D&I enterprise and the procurement department is crucial. Almost all supplier diversity programs operate out of procurement, and supply-chain expertise is critical. However, a diversity lens is also crucial to ensure supplier diversity programs reflect the cultural and societal norms of the domestic and global geographies in which they are implemented. Best-practice companies leverage D&I practitioners and ERGs to help identify, evaluate, and cultivate relationships with diverse suppliers that have the capability and cultural fluency needed to effectively meet the needs of today’s diverse consumer base.

**CASE:** Accenture’s Diverse Supplier Development Program (DSDP) is designed to develop and expand relationships with minority, women-owned, LGBT, persons with disabilities, veterans and other diverse businesses. The 12- to 18-month program pairs senior Accenture executive mentors with diverse supplier ‘protégé’ companies to help them grow their businesses. As of 2016, 101 diverse suppliers have completed the program; the company’s goal is to graduate 170 diverse suppliers by fiscal 2020. By providing development opportunities for small, medium and diverse businesses, the company has been able to cast a wider net and tap a larger pool of latent talent. Accenture people contribute training and mentoring support to diverse suppliers, which helps empower the marketplace, increase engagement, and raise awareness of the value of inclusion and diversity in Accenture’s business activities.

**Building the supplier diversity program...**

- Establish clear goals for spend with each target supplier community (e.g. women, minorities, disabled, veterans, LGBTQ business owners).
- Keep goals small and focus initially on building relationships.
- Leverage ERGs and community relationships to reach potential suppliers.
- Establish clear guidelines on what constitutes a ‘diverse’ supplier, and ensure that diverse suppliers are certified to avoid fraud or ownership pass-throughs.
- Provide guidance, education and training to help diverse suppliers get acclimated to the company’s procurement process.
- Assign supplier diversity ambassadors within the company who can mentor and support the diverse supply chain.
Conclusion

For many organizations, achieving meaningful diversity and inclusion means moving beyond a compliance mindset to instilling an organization-wide recognition that a diverse workforce and inclusive culture adds value and is a source of strategic advantage. To be impactful, D&I must be viewed as a long-term business strategy, developed around the unique needs of each organization’s culture, and embedded into wider organizational structures and processes. Employees at all levels need to understand their role in the D&I enterprise and be engaged in creating an inclusive culture in which differences are leveraged for problem-solving, innovation, and improved business results.

To continue to move the diversity and inclusion strategy forward, new partnerships must be established across all departments to ensure D&I principles become part of the corporate mindset and embedded in core business processes, including leadership decision-making, HR, communications, brand messaging, legal considerations, community relations, and supplier relations. Having all departments involved and invested in the D&I effort is crucial to getting it right and achieving real change.

What is your organization doing to inspire next level D&I thinking and authentically embed D&I as a core business strategy and source of competitive advantage?