Introduction

The past decade has been a time of dramatic and unprecedented change. Globalization changed the demographics of countries around the world, creating a new and highly diverse workforce. Automation and advances in technology connected the global marketplace, upending workplace norms and transforming jobs and the skills needed to perform them. An escalating combination of social, economic and political issues gave rise to the social enterprise - organizations whose mission integrates business with philanthropy to drive revenues while having a positive impact on society and the environment.

In the coming decade, companies will face complex transitions and make consequential decisions about their business strategy, job design, and talent needs. Global talent shortages pose a particular challenge, driven largely by a shortage of skills rather than a shortage of people. Technological advances have created a growing gap between the skills that are needed and the skills that are available. And, although automation has brought innovation and savings into the workplace, it could also displace millions of workers, particularly in routine and low-skill jobs held disproportionately by women and people of color. These trends have the potential to widen the economic disparity gap and make the nation's workforce even more polarized.

Investing in women and communities of color - the fastest growing segments of the U.S. labor force - will be a top priority in the years ahead. Companies will need to play a more proactive role in developing the skills of the next generation of workers, while at the same time, commit resources to reskill and upskill their existing workforces. These investments will become increasingly urgent in the emerging landscape of talent shortages.

Partnerships with corporate social responsibility programs will be critical to extend the diversity and inclusion (D&I) focus externally. Socio-economic inequities continue to limit access to education and experience in many communities, translating to low-skills and diminished opportunities in the workforce, for people of color in particular. To maintain U.S. economic viability in the future, organizations will need to reframe and expand their talent strategies to tackle the barriers and disparities that prevent the full participation and inclusion of marginalized groups — in society, in communities, and in the workforce.

In this report, we take a closer look at these developing trends to better understand the ways they are reshaping the workforce and the workplace, and their potential implications for diversity and inclusion. Although D&I efforts remain an important objective in many companies, increased commitment and accountability are needed. While women and people of color are well represented in the nation's workforce overall, they remain severely underrepresented in the leadership pipeline in most organizations.

Over the next decade, the definition of diversity in the workplace will continue to be a topic of discussion.

What was once deemed as primary (e.g. race, gender, ethnicity, LGBTQ+, abilities, age, religion) and secondary (e.g. socio-economic, education, geography, family, job function) dimensions of diversity are now overlapping.

The intersections between diverse employee groups will continue to grow and blend, requiring new, more complex levels of collaboration and coordination across a wide range of differences.

As social consciousness increases and intersectionality becomes more prevalent, D&I programs will need to expand their scope to include these emerging secondary dimensions of diversity.
The Nation's Changing Population

The workforce of the future is diverse

U.S. Census statistics project that the nation will become minority White in 2045. Between 2018 and 2060, racial minority populations will grow 74 percent, and the White population just one percent. For youth under age 18 - Gen Z, the post-millennial population - minorities are already the majority.

Although the representation of women and people of color is increasing in the nation’s labor force overall, parity has yet to be achieved. While many companies have implemented robust D&I initiatives to remove barriers and increase equity, progress has been slow. **Women and employees of color are still disproportionately overrepresented in low-skill, low-wage occupations, and underrepresented in high-skill, high wage jobs and positions of leadership.** Black and Hispanic women face the greatest barriers, despite the fact that they are a growing force in the nation’s economy and workforce.

To achieve meaningful change, D&I programs will need to push for greater transparency and accountability. In the DBP 2019 Inclusion Index, 75 percent of companies say they hold managers accountable for D&I results, but just 35 percent link compensation to D&I results. Only 46 percent of DBP Inclusion Index companies set numeric goals for diversity representation, and 58 percent set percentage goals. New governance structures and accountability practices are needed to drive meaningful progress.

At **Intel**, to build accountability for D&I outcomes, diversity was established as a component of the strategic performance goals that determine 50 percent of executives’ annual cash incentives. The company provided additional bonuses for everyone at Intel - equal to as much as 7 percent of the person’s total bonus - if the company hit two goals: hiring 40 percent minorities and women, and ensuring that the retention rate of those groups is at least equal to that of White and Asian men. These accountability measures and incentives helped Intel reach its representation goals two years ahead of schedule.

**Sodexo** created a Diversity Scorecard to build accountability for increasing gender representation. Managers earn up to 600 points for achieving numeric benchmarks for attaining hiring, promoting, and retaining women and underrepresented groups. An additional 400 points measure diversity and inclusion actions that improve culture and demonstrate inclusive leadership, for example, mentoring or sponsoring women or people of color. The scorecard is driving real results. Women’s representation increased by 10 percent at entry and manager levels, more than 20 percent at the SVP level, and doubled in the company’s C-suite.

**Economic Inclusion**
Growing in Importance

While communities of color are the fastest growing segment of the nation’s population and labor force, they are also the most at risk: the segments experiencing the greatest growth are also those where education is lagging. Although bachelor’s degree attainment for Hispanic, Black, White, and Asian adults has risen over time, the attainment gap has more than doubled between White students and Black and Hispanic students. Already, roughly two-thirds of the nation’s workers lack a college degree.

**The gap between the richest and the poorest U.S. households is the largest it has been in 50 years.** According to a study by the Institute for Policy Studies, if current trends continue, the median wealth for Black Americans will fall to $0 by 2050; Latino-Americans will hit $0 about two decades later. By 2020, median Black and Latino households stand to lose nearly 18 percent and 12 percent of the wealth they held in 2013 respectively, while median White household wealth increases by three percent. At that point, White households are projected to own 86 times more wealth than Black households, and 68 times more wealth than Latino households.

The implications of these shifts for employers, and the U.S. economy overall, are significant. Patterns of disadvantage that stem from unequal economic opportunity, racism, and societal inequities persist into the workforce. Occupation inequities, low wages, and lack of benefits continue to characterize many jobs in the nation’s labor force, undermining the financial security of a large percentage of workers.

**Stronger alignment with the organization’s corporate social responsibility (CSR) objectives will be critical to extend the D&I lens externally to build communities and remove barriers that perpetuate inequities and disparities for many Americans, particularly people of color.**
The workforce is aging

The nation’s working-age population is growing at half the rate of the previous three decades, with baby boomers retiring in record numbers. Retirement trends provide companies with a unique opportunity to diversify their demographic profile at the management and executive level. Diverse teams are built through well-formulated talent development plans and actionable succession plans that continually identify high potential talent, and then set them on a deliberate course toward leadership roles. D&I programs can play a pivotal role in identifying high potential women and employees of color, and ensuring they are included in leadership development opportunities and succession plans.

Although record numbers of Baby Boomers are retiring, the majority of Boomers are still in the labor force. A study by Harvard Business Review estimates that in order to finance retirement, many workers currently in their fifties will work into their seventies; individuals in their twenties could well be working into their eighties. According to Pew Research Center, in 2018, 29 percent of Boomers ages 65 to 72 were working or looking for work.

In the decade ahead, organizations will need to manage as many as five generations in the workforce. Yet, according to a study by PwC, only eight percent of organizations include age as a part of their D&I strategies. A report by the Senate Committee on Aging found that while 80 percent of employers say they are supportive of employees who plan to work past the age of 65, only 39 percent offer flexible scheduling options, and only 31 percent facilitate processes for moving from full-time to part-time roles.

Innovative strategies are needed to engage and retain older workers, transition them into new roles, and effectively leverage knowledge transfer. We are already seeing a number of top organizations expand their benefits to meet the needs of older workers, and establish flexible employment, consulting arrangements, and phased retirement incentives to retain them.

Many companies will consider the top 10 percent of talent when developing a succession plan. To cast your net wider, consider the top 10 percent of diverse candidates as well.

Stanley Black and Decker developed targeted programs to engage and retain older workers. One pilot program uses Artificial Intelligence (AI) to record and document key information and insight about how a job is performed from workers with deep experience performing the role. AI translates that expertise into a training video format. Another strategy under development is based on flexible scheduling where workers dictate their schedule and the hours they work. These workers would be available remotely to trouble-shoot problems on the factory floor through a video-based ‘nerve center’. The approach allows older employees to work fewer hours, but stay engaged in the company’s workforce. It also would create a 24/7 global technical assistance resource for Stanley Black and Decker workers.

### Changing Population

Between 2018 and 2060, racial minority populations will grow 74%; interracial populations 176%, Asians 93%, Hispanics 86%, Blacks 34%, and the White populations just 1% (Census)

Immigration will account for two-thirds of US population growth by 2050.

Asians will surpass Hispanics as the largest immigrant group in the U.S. in 2055. (Pew)

Latinos accounted for 70% of US workforce growth in the first half of the decade.

In 2025, 1 out of 2 workers entering the US workforce will be Hispanic (SHRM)

### Aging Population

From 2015 to 2030, the population under age 18 will grow by just 5%, while the population age 65 and over is projected to grow by 55% (Census)

By 2050, the number of individuals in the labor force who are 65 or older will grow by 75%; the number 25 to 54 will only grow by 2%. (SHRM)

By 2030, one in five Americans will be older than 65

By 2035, there will be more people over the age of 65 in the US than under 18 (AARP 2019)
The Impact of Automation and Technology

Women and employees of color most at risk of displacement by automation

Although automation has brought innovation and savings into the workplace, it also has the potential to displace millions of workers, particularly in routine and low-skill jobs, including office support, retail, food service, transportation, logistics, and customer service roles - jobs held disproportionately by women and employees of color. Of the **1.4 million jobs in the U.S. that the Bureau of Labor Statistics estimates will disappear by 2026 through automation, 57 percent belong to women.** Research by Boston Consulting Group estimates 11 percent of jobs currently held by women are at risk of elimination, a higher percentage than those held by men.

Workers with a high school degree or less are four times more likely to be displaced by automation than workers with a bachelor’s degree. According to research by McKinsey Global Institute, workers with no postsecondary education will account for 78 percent of overall displacement across the U.S.. Reflecting more limited access to education, Hispanic workers are most at risk of displacement, followed by African Americans. The research estimates that jobs held by nearly 15 million workers ages 18–34 may be automated, so young people will need new career paths into the working world. Roughly 11.5 million workers over age 50 could also be displaced and face the challenge of making late-career moves.

**Amazon** has committed $700 million to provide 100,000 employees access to training in areas such as healthcare, machine learning, manufacturing, robotics, and computer science. The training, which could reskill up to one-third of the company’s U.S. workforce, is voluntary, and most programs are free. As an example, the company is setting up classrooms in some of its fulfillment centers and launching a 16-week certification program that will enable warehouse workers to train for roles as data technicians - with no prior IT experience required. If they successfully complete the course and are hired by one of the company’s data centers, they can double their wages from $15 to $30 an hour.

**Accenture’s** Connected Learning program includes 37,000 online courses and 2,300 learning boards curated by subject-matter experts that provide employees with anywhere, anytime development opportunities from design thinking to AI. Employees also have opportunities for certification in areas including project management and data science. By the end of 2020, Accenture will invest $1.4 billion in training for its U.S. workforce while creating 15,000 highly skilled new jobs.

Understanding what occupations are most at risk for automation –and who holds them in the organization – will be a critical factor in developing and committing to talent strategies for the future.

If managed proactively, these same trends *could lead to new pathways to careers for historically marginalized workers* in a competitive talent economy.
U.S. companies reporting a growing skills gap across industry sectors

While automation has the potential to displace millions of workers, advances in technology have led to the creation of many other new jobs. The World Economic Forum estimates that the rapid evolution of machines and algorithms in the workplace could create 133 million new roles by 2022. Many of these jobs will be in high-skill, high-demand occupations, including STEM, healthcare and finance - occupational categories in which women and people of color have been historically underrepresented. Most of these jobs will call for postsecondary education - credentials that are currently lacking in two-thirds of the nation’s labor force.

Technological advances have surpassed current skill sets and created a growing gap between the skills that are needed and the skills that are available. According to the U.S. Department of Labor, there are currently 6.3 million job openings, which companies are struggling to find the right talent to fill. Fifty percent of open positions in the U.S. go unfilled because skilled candidates aren't available.

A 2019 study by Korn Ferry estimates that by 2030, there could be a global human talent shortage of more than 85 million people, which could result in $8.5 trillion in unrealized annual global revenues. The U.S. alone could miss out on more than $1.7 trillion in revenue due to talent shortages. The study estimates the U.S. will have a surplus of mid-skill and low-skill workers, but that a deficit of high-skill workers could be as high as 6.5 million by 2030.

The Education Commission reports that in 2018, there were 1.8 billion youth worldwide between the ages of 15 and 29. The Commission estimates that by 2030, more than half of these youth may not have the skills or qualifications necessary to participate in the emerging global workforce. This translates to potentially more than 50 percent of tomorrow’s human capital being unprepared to enter the workforce.

While technology has the potential to innovate and advance the future of work, many companies will be unable to leverage the full benefits because of skills shortages. As automation and new technologies change jobs and redefine the nature of work, organizations have a unique opportunity to rethink their talent strategies and challenge assumptions about the skills and experiences that are needed to perform jobs in the future. It is possible to turn this period of technological change into an opportunity to build new pathways to careers, establish better learning systems, and create more diverse, equitable, and inclusive workplaces.

To respond to the skills gap, we recommend companies

- Analyze how advances in technology and the growing skills gap are impacting the organization, and what jobs - and employee groups - are most at risk of displacement.
- Revisit job requirements for validity in today’s rapidly changing work environment.
- Start building pipeline skills early: develop collaborations with education providers, government entities and community-based organizations to cultivate and curate diverse talent from a young age.
- Cast a wider recruitment net: think outside the box. Look to untapped talent pools for high potential diverse talent.
- Create opportunities for pre-employment work experience and exposure to support the development of critical workplace skills, professional networks and relationship capital.
- Invest in upskilling and reskilling existing employees. Leverage a wide range of learning platforms and methods.
- Provide employees with individualized career pathways and ongoing opportunities to develop new skills.
- Conduct ongoing analyses to ensure opportunities for transitioning to new careers are equitably shared and compensated.
- Revisit employee benefits and perks taking into consideration characteristics of the future workforce, for example benefits and incentives for gig and contract workers.
Investment in worker mobility through reskilling and upskilling a top priority

Many organizations are responding to the challenges posed by automation and the growing skills gap by building skills internally through upskilling and reskilling initiatives that help employees transition to new roles. Ninety percent of respondents to Deloitte’s 2019 Global Human Capital Trends survey report their organizations are redesigning jobs; 84 percent are increasing investments in reskilling programs. In PwC’s Annual Global CEO Survey, 79 percent of respondents said a shortage of skilled talent was one of their top three concerns; 46 percent said upskilling was their preferred solution.

Encouraging the learning objectives of employees not only builds in-house expertise, retention rates also increase when employees are supported and advancing in their careers. Learning opportunities should also include developing essential skills including communication, problem-solving, working on teams, cultural competency and inclusive leadership. Best practice companies allow time during the workday for employees to upskill and pursue learning, and offer opportunities for them to test-run different roles within the company.

D&I programs can play a key role in reskilling and upskilling initiatives by helping women and employees of color develop the relationship capital needed to advance. Working Mother Media’s Gender Gap at the Top research found that women are two thirds less likely to be aware of the criticality of relationship capital, and were also two thirds less likely to have a sponsor. Although there are multiple ways to build relationship capital, sponsorship can have a significant effect on promotion, pay increase, and satisfaction rates.

From their first days on the job, Ernst & Young employees are encouraged to become “sponsor ready” through their client assignments and mentoring programs. Through successful mentoring relationships, high performers become aligned with influential executives who can serve as sponsors and provide ongoing guidance and support. To ensure accountability, EY regularly monitors sponsorship programs using quantitative and qualitative measures such as promotion rates, representation of women at the partner level, engagement survey scores, and feedback from professional networks. As a result, EY has successfully built a pipeline of women leaders, ensured greater engagement and retention of women leaders, improved its processes for recruiting women leaders, and sustainably maintained and increased the number of women partners.

New technologies can help mitigate bias

New and emerging technologies, including Artificial Intelligence (AI) and Virtual Reality (VR) are streamlining and innovating the talent process and can be effective tools for identifying and reducing bias. AI can improve hiring decisions by screening candidates on objective versus subjective criteria. The technology can help mitigate human biases that can impact how individuals evaluate candidates and make hiring decisions. Through VR, hiring managers can virtually transport candidates to specific work situations, and then assess them based on their performance in that environment. VR can also be used to place leaders, managers and employees in different virtual scenarios to help them become aware of potential biases in a safe learning environment.

AI and VR technologies can help reduce bias, but if not designed effectively, they can also further embed and scale bias. AI and VR systems and algorithms are created by people with their own experiences, backgrounds and blind spots. This can unintentionally lead to the development of fundamentally biased systems. The problem is compounded by the fact that the teams responsible for the development, training, and deployment of AI systems are often not representative of the population overall.

According to research from NYU, women make up just 15 percent of AI research staff at Facebook and 10 percent at Google. The percentage is even lower for Black employees at major tech firms, with just 2.5 percent at Google and 4 percent at Facebook and Microsoft. This lack of representation on the part of AI developers can lead to biased datasets and algorithms that are more likely to perpetuate systemic biases.
Building the external pipeline of diverse talent

To build skills needed in the future, many companies are collaborating directly with higher education partners to develop curriculum and provide pre-employment work experience. These efforts also provide inroads to promote brand and industry awareness, and perhaps most importantly, forge early relationships with future job seekers. Employee resource groups can serve as company ambassadors, connect with college students from diverse backgrounds, and help forge opportunities for mentoring and developing relationship capital.

Many companies concentrate their campus partnerships on a select few colleges and universities, and then look at the top ten percent of students at those schools. Instead, cast a wider net and look at non-traditional schools, and request your higher education partners to also provide candidates from the top 10 percent of diverse students.

Some companies are building the pipeline even earlier, partnering with K-12 school districts to connect with students and provide early exposure to skills and careers. Developing collaborations with education providers, government entities and community-based organizations to cultivate and curate diverse talent from a young age is critical. By focusing on students in K-12, companies can identify future talent earlier and help high potential students develop the skills and competencies they will need to be successful in the workforce. Companies that leverage this advantage can get future workers interested in their industries and support them through apprenticeships, internships and on-the-job learning opportunities.

At the Ball Corporation, the Women’s Ball Resource Group partnered with the School of Engineering at the University of Colorado to create the Ball Sisters program. The program provides female engineering students at the University support, mentoring, and a window into the experience of female STEM professionals at the company. Outcomes are positive: the program doubled in size in its second year. Many of the participating students have become interns at Ball, and all have stayed at the School of Engineering.

To address a growing skills gap in its workforce, IBM expanded its search for talent to find applicants outside four-year college settings, where it has traditionally focused recruitment efforts. Today, the company’s recruitment strategy includes finding candidates with nontraditional backgrounds who have built their skills and experience through vocational courses, community colleges, apprenticeship programs, on-the-job experience, coding camps, and other alternative education and development programs, such as Pathways in Technology Early College High Schools. IBM co-founded the P-TECH model with educators as part of a national effort to reform career and technical education. The model offers high school students an opportunity to earn a no-cost associate’s degree over the course of six years in competitive STEM disciplines, along with the skills and knowledge they need to continue their education or step easily into a ‘new collar job.’ Today, there are 200 P-TECH schools with more than 100,000 students in 18 countries - and the number is growing.

Jobs are changing dramatically: are your job requirements?

Current trends provide an opportunity to re-examine jobs and the skills that are needed to perform them - and whether a degree is a prerequisite.

Placing high value on this factor unconsciously discriminates against candidates who may lack access to post secondary education, but who are otherwise well-prepared to perform the job. In a national survey of HR executives, 90 percent reported their company is open to accepting candidates who don’t hold a four-year college degree.

In 2018, Glassdoor compiled a list of 15 top companies that offer high-paying jobs that don’t require candidates to have a college degree: Google, EY, Penguin Random House, Costco, Whole Foods, Hilton, Publix, Apple, Starbucks, Nordstrom, Home Depot, IBM, Bank of America, Chipotle, and Lowes. Here are a few examples:

Apple Hiring For: Genius, Design Verification Engineer, Engineering Project Manager, iPhone Buyer, Apple Technical Specialist, AppleCare at Home Team Manager, Apple TV Product Design Internship, Business Traveler Specialist, Part Time Reseller Specialist & more.

Home Depot Hiring For: Department Supervisor, Customer Service Sales, Store Support, Cashier, Assistant Store Manager, Outside Sales Consultant, Warehouse Associate, Product Manager, Analyst & more.

EY Hiring For: Assurance Services Senior, Risk Advisor, Experience Management Manager, Tax Services Senior, Financial Services Senior Manager, Auditor, Risk Management Operations & Quality Compliance Associate, Payroll Operations Analyst Associate & more.
Tapping into untapped talent pools

In the face of growing talent shortages, developing strategies to reach untapped talent pools and bring people on the margins into the labor force will be critical. Tapping into new candidate pools will require a multi-pronged recruitment strategy. While college campus recruitment programs continue to hold sway, companies are increasingly expanding their recruitment focus to include community colleges, community-based organizations, and public and private workforce development programs. There are many national, regional and community-based professional associations and organizations that are organized around the interests of diverse and underrepresented communities. Developing relationships with these organizations can provide important insight and information about non-traditional candidate pools, as well as inroads and opportunities to connect with them.

Start by evaluating the requirements listed in your job description. A study by researchers at Harvard found that employers increasingly require college degrees from job applicants, even when applying for positions that did not previously require such credentials, or for jobs that are currently performed by individuals without a college degree. The study cautions that this ‘degree inflation’ has consequences for employers (smaller candidate pool, higher salary expectations) and job seekers (fewer opportunities for candidates without a degree).

Through its partnership with Year Up, State Street is developing a pipeline of skilled, trainable, and local talent, filling 50-60 entry-level positions in IT and Finance each year. Year Up is a one-year, intensive training program that provides urban young adults 18-24 with technical and professional skills, college credits, an educational stipend, and a corporate internship. Year Up students not only successfully completed their internships, they had stronger retention rates when hired full-time. Over 650 Year Up students have interned or work full-time at State Street. Out of the 1,000 interns State Street brings into its Boston offices each year, 40 percent are from community-based programs. State Street is working with Year Up to develop a curriculum and internship pipeline focused on preparing for a career in Investment Services.

In 2017, Salesforce partnered with Deloitte to launch the Pathfinders Training Program, a four-month workforce development initiative to prepare community college students and veterans for jobs. Through online and in-person training, Pathfinders receive free training and support on their way to becoming future Trailblazers. Pathfinders choose one of two tracks, Salesforce Administrator or Developer. Salesforce provides additional support, including weekly office hours, events, meet-ups and coaching. Deloitte provides online and in person business skills training. A 1:1 mentorship program supports Pathfinders in further developing these skills and preparing for the job search. The program initially launched in Indiana with a goal of training 500 people through 2020. Since then, more than 150 Pathfinders have graduated. In 2020, the program will be expanded in the U.S. and globally, with the goal of training an additional 500 people over the next three years — 1,000 people total. Pathfinder graduates have been hired by top employers, including Deloitte, which has hired more than 10 percent of graduates into internships and full-time roles.

Gig Economy Poses D&I Challenges

The shift toward an open talent, ‘gig’ economy is global and impacting every industry. In the U.S., more than 40 percent of the workforce works on a contingent basis. In a 2019 Mercer survey, 79 percent of executives expect that freelance and contingent workers will substantially replace full time workers in the coming years.

The gig workforce has emerged as a new type of employee group with its own set of unique D&I challenges. Accounting for gig workers in D&I goals and workforce representation data is complex. Because of the temporary nature of gig work, both individuals and roles are fluid. New strategies and metrics will be needed to account for gig workers in the D&I strategy, engage gig workers on teams, and include them in the workplace.

Other D&I challenges- are also emerging with regard to gig workers. Studies that examined the wage earnings of women and men in contingent jobs found that women earned an hourly rate that was 37 percent lower than men’s, even after controlling for variables such as hours worked, education, occupational category, and feedback score. In addition, as independent contractors, gig workers do not receive protections and benefits available to full-time workers.

Gig work will not offer a solution for achieving greater economic inclusion in the U.S. without re-examining workforce governance structures, reframing benefits, and addressing issues related to fair wages and equitable pay.
Rise of the Social Enterprise

Corporate Social Responsibility has become a business priority

Today’s corporate leaders are using their influence to take highly visible positions on behalf of their employees and customers, and leveraging philanthropy to address critical issues including healthcare, income inequality, diversity, and the environment. According to research from the Center for Corporate Citizenship, the number of companies directing corporate citizenship from the C-suite increased nearly 75 percent compared to five years ago. An EY survey found that companies with a strong sense of purpose are able to transform and innovate better, and had more success with implementing major initiatives.

CSR and D&I programs have a unique opportunity to mutually elevate shared objectives. In many companies, D&I programs have already expanded their focus on community impact, but these efforts are often limited in scope and scale. Partnering with CSR programs can help extend the D&I focus externally to better address the inequities that limit access to education and consequently translate to low-skills and diminished opportunities in the workforce, for communities of color in particular. A CSR approach that reflects the diversity of the workforce and market served is more likely to connect and resonate with employees and communities.

In research conducted by Chief Executives for Corporate Purpose, 95 percent of companies consider D&I in their efforts. Eighty percent are integrating a D&I lens across all issue areas of their philanthropic portfolio. Many companies have pursued the coordination of D&I Councils or Steering Committees that include leadership from across various functions including HR, CSR, and philanthropy, to support the coordination and execution of an integrated D&I strategy. Some companies have created new, blended senior-level roles with dual-responsibility for overseeing both corporate philanthropy and corporate D&I strategy.

Attention is also growing around building supplier diversity and accountability in CSR initiatives. Consumers are paying closer attention to ensure the products they buy are not causing unnecessary harm to the environment or communities. No company is immune to the media attention and reputational damage that can result from ignoring CSR values in the supply chain.

To develop a strong partnership with CSR, we recommend D&I programs

- Establish formal structures to align internal D&I goals and external CSR goals.
- Align CSR and D&I goals and initiatives with the organization’s business and talent strategy.
- Create a sustainable social policy that resonates with marketplace demographics and works to eliminate socio-economic inequities and disparities.
- Engage employees in conversations about the impact they want the company to have.
- Conduct outreach to share information on the D&I relationship to CSR and the role employees can play to increase impact.
- Develop pathways and strategies to provide women and diverse talent exposure to CSR and opportunities to participate in and lead CSR initiatives.
- Involve ERGs in developing and implementing CSR and community-based initiatives to ensure a diversity lens and culturally appropriate messaging; add a CSR based objective to all ERGs.
- Amplify the company’s CSR work by leveraging corporate communications, social media and employee storytelling within diverse markets and communities served.
- Showcase CSR activities as a recruitment tool, especially for Gen Z and Millennials who value social purpose.
- Align supplier diversity strategy to CSR and D&I objectives and initiatives.
- Ensure D&I and CSR efforts are effectively measured, documented, and communicated to maximize return on investment.

Today’s consumers are more than willing to boycott brands that are perceived as lacking social consciousness, and reward those they perceive as responsible corporate citizens. As an example, Unilever set a goal to cut the company’s environmental footprint in manufacturing and product use in half by 2030, specifically through substantial reductions in greenhouse gas emissions, waste production and water usage, and by sourcing all of its raw materials sustainably. These investments pay off – both in terms of positive brand impact and reputation, and business outcomes. Unilever reported that their sustainable brands grew 40 percent faster than the rest of the business in just one year.
**Conclusion**

Population changes, automation and advances in technology, and the rise of the social enterprise are all converging to present unique challenges and opportunities in the decade ahead. These trends will require redefining business processes, revisiting talent needs and systems, and retraining and transitioning workers into new roles. The role of D&I programs will be elevated in the emerging landscape of workforce and skills shortages, as organizations are driven to look more closely at underrepresented employee groups, tap into non-traditional talent pools, and invest in the talent pipeline at early stages. Many of the challenges that lie ahead will require finding solutions to bridge the inequities and disparities faced by women and underrepresented groups. Structuring a strong partnership between D&I and CSR - and ensuring they are aligned around shared goals - can create greater momentum in the organization to drive real change toward equity and economic inclusion.

For more information about this report and other resources available through Diversity Best Practices, please contact Donnice Peterson at: Donnice.Peterson@diversitybestpractices.com

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**Different ways companies are leveraging CSR for D&I impact**

**Addressing Disparities:** Cigna’s CSR efforts include a focus on increasing health equity, specifically targeting populations that experience higher rates of disease or disability and have limited access to healthcare services. The company intentionally seeks CSR partners that are committed to D&I and who understand the communities the company is trying to reach.

**Developing the Pipeline:** Prudential Financial committed more than $180 million through 2025 to support young people aged 15-29 who lack access to school, training or regular jobs – a segment of the global population referred to as opportunity youth. This population segment, which accounts for 350 million people worldwide, represents untapped potential for the future workforce.

**Building Gender Equality:** P&G’s #WeSeeEqual campaign focuses on areas where the company can have the greatest impact in building gender equality. The company leverages its significant voice in advertising and media to tackle gender bias, is removing barriers to education for girls, and is increasing economic opportunities for women through company sponsored programs and policy advocacy. In each of these areas, the company partners with organizations that share P&G’s commitment, combining resources and skills for greater impact.

**Empowering Diversity in the Supply Chain:** The Walmart Women’s Economic Empowerment initiative creates opportunities for women in supply chains around the world. Not only do women in the retailer’s supply chain play a crucial role for the business, their empowerment is crucial to the economic well-being of their families and communities. Through the initiative, Walmart sourced over $20 billion from women-owned businesses for its U.S. business, and helped train over one million women who work in farms, factories, and retail across the global supply chain.

**Promoting Social Justice:** Nike made Colin Kaepernick the focus of its 30th anniversary “Just do it” campaign in which the former NFL player sends the message: “Believe in something. Even if it means sacrificing everything.” The campaign sparked a national debate, and although Nike stock initially plummeted, it quickly rebounded, and soon after the campaign launched, hit an all-time high. According to a Bloomberg report, the company generated $43 million in media exposure through the campaign.
Endnotes


