Chapter 5

Diversity & Inclusion Leadership

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A strong corporate culture that invests in diversity and inclusion is one of the greatest competitive advantages a company can maintain. In no area of business has corporate leadership and learning been more essential to progress than in guiding our companies through the culture shift of embracing diversity and inspiring inclusiveness. True leaders must boldly lead their organizations in all facets of business while at the same time be open to learning from their top management, employees, and peers to keep ahead of new ideas and surging events.

In this chapter, we will explore the following questions:

• What are the various phases of diversity and inclusion leadership maturity?

• How does an organization move from a “country-centric” diversity leadership paradigm to a global one?

• What is a typical organizational structure for diversity and inclusion leadership?

• What is the role of the Board of Directors in diversity and inclusion?

• How are best practices companies leveraging diversity councils?

• How important is CEO commitment?

• What are some best practices evidenced by leading CEOs and their companies?
The New Global Leadership Paradigm

The year 2010 marks almost five decades of the exploding genre now known as “Diversity and Inclusion,” or D&I. Forerunners to D&I had defining titles, representing “Phases” of diversity maturity such as: EEO, Affirmative Action, Multiculturalism, Diversity, Inclusion, and now, Diversity and Inclusion. Major social movements such as the Civil, Women’s, and LGBT Rights movements, influenced the earliest Phases (1960-1980). Legislative mandates, such as the Civil Rights Act, Title I, and Equal Employment Opportunity defined their focus. Since the 1990’s, marketplace realities have represented major shifts from “country-centric” to global. The global shift, fueled by rapid changes in technology, made access to global markets and communities just a click, call, or screen away. This “global-centric” focus has created global marketplace interdependence with an urgency to fully capitalize on D&I to drive its value equation. The chart that follows presents Alignment Strategies’ Diversity Continuum Stages Maturity Model, which showcases the various Phases of diversity maturity and how this impacts various focus areas in each Phase.

Diversity and Inclusion Continuum

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<tr>
<td>Based on legal and moral motives</td>
<td>Flows from corporate image and social responsibility</td>
<td>Based on competitive advantage - makes good business sense</td>
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<td>Issue: getting numbers in</td>
<td>Issue: keeping numbers in</td>
<td>Issue: moving numbers up/breaking glass ceiling</td>
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<tr>
<td>Limited inclusion, mainly Black/White</td>
<td>Broadened to include White women, some ethnic groups</td>
<td>All inclusive - White males, women, people of color, age, ethnic groups, etc.</td>
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<tr>
<td>Grounded in “Be seen but not heard”</td>
<td>Grounded in assimilation and “Melting pot” vision</td>
<td>Grounded in “Tapestry” approach</td>
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<td>Assumption minorities and women were getting something for nothing; less qualified</td>
<td>Successful minorities and women viewed as exceptions to rule; still required special treatment</td>
<td>Onus on organization to create environment enabling/encouraging all people to contribute</td>
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<td>People who are different need to be “fixed” to fit; deficit model</td>
<td>More “okay” to be different, but onus on minority/woman to fit in</td>
<td>Differences have business benefits; require new management skills to leverage this potential but they have positive impact on all employees</td>
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<td>Manage by the numbers: avoid litigation, being cited by the government</td>
<td>Supervisors required to make “it” work on case by case basis</td>
<td>Organization addresses systemic requirements for leveraging differences (testing, career development, evaluations)</td>
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The presence of a diverse and inclusive workplace culture is perhaps the greatest business catalyst that exists to tap the potential and profit of emerging markets, broaden the talent pipeline, and enhance brand and corporate reputation. For diversity and inclusion to be successful, however, it must be planted, nurtured, and exposed to the right conditions over time. This joint effort requires the commitment of individuals throughout all levels and
locations of an organization, yet strong and genuine leadership is what allows diversity and inclusion to thrive.

**Understanding Our Past Leadership Lessons**

The benefit of D&I is that it provides us with over 50 years of knowledge regarding D&I leadership in various stages. As we move into the second decade of the 21st century, we have a solid leadership foundation on which to build. Interestingly, organizational leaders in the early stages of diversity maturity during the 1960s to ’70s held similar attributes with those who led major social movements.

Similar to Bass’ Trait Theory of Leadership Development, many early diversity leaders possessed a passion to right wrongs and injustices that they observed in their organizations. They had personal leadership qualities that enabled them to gain the confidence of their organizations to help navigate this often-difficult terrain but did not have diversity training or the benefit of our 50 years of knowledge.

Other leaders rose out of organizational crises, such as being sued or boycotted for transgressions against legislative mandates, poor corporate branding, or diversity practices that eroded in their ability to compete. Although generations benefited from their sacrifice, these leaders often did not reap the personal career benefits of their contributions and leadership. Like their social movement counterparts, many of their careers were cut short and/or derailed.

**Creating the New Paradigm**

Fully capitalizing on the value equation for D&I in the 21st century will require leaders who can lead globally complex, culturally diverse, and interrelated organizations. This will require a new cadre of leaders, with vision, experience, and global cultural competencies.

Leadership is a universal, global competence. At its core are basic elements that are present in tribal leaders in small villages in Africa as well as CEOs of Fortune 100 global companies. Leadership is defined as “a process by which a person influences others to accomplish an objective and directs the organization in a way that makes it more cohesive and coherent.” Leaders carry out this process by applying their own beliefs, values, ethics, character, knowledge, and skills.

The benefit of developing a global diversity leadership paradigm is the concept of “intentionality” and “choice.” In the earlier phases, business was driven to address diversity by a tsunami of social change. As a result, we stumbled onto many of our diversity lessons and figured out how to lead. Now there is recognition of the need to be more deliberate in choosing our D&I leaders who are committed to their skill enhancement. In fact, the current focus on global cultural competency as a requisite for D&I leadership is recognition that we are choosing to learn how to become transformational D&I leaders. This type of diversity leader is capable in any global and cultural context and at any stage of organizational
Diversity maturity. This leader lives the mantra: “Be, Know, Do.” In the context of diversity and inclusion leadership, let us explore this transformational leader mantra:

**BE who leaders are**—including their beliefs and character. Leaders share their personal diversity and inclusion beliefs and know how they can drive value for the individual, group, and organization. Leaders demonstrate their character by their willingness to understand and incorporate diverse points of view within a global context. They take personal responsibility for global diversity and inclusion failures and share its successes with their team.

**KNOW what leaders know**—including job and human skills and knowledge. Diversity and inclusion leaders invest in developing their individual and team D&I competencies and skill sets. They ensure that there is an understanding of how D&I supports the organization’s overall strategy. These leaders help employees or team members link their individual contributions to the success of the diversity and inclusion initiative to the business. They communicate the on-going status of the diversity and inclusion impact and its global implications.

**DO what leaders do**—in terms of implementing, motivating, and providing direction. Diversity and inclusion leaders support development of customized goals, values, and concepts that are relevant to global markets, yet have local applications in specific work environments. They clarify roles and responsibilities. These leaders differentiate between the culture and climate. The transformational D&I leader, while acknowledging cultural norms and limitations, leads their team beyond the sometimes confining limitations of culture and restrictive beliefs about climate. These leaders demonstrate personal courage of conviction. They also motivate others to step into their own greatness.

**Leadership Structure and Organizational Chart**

An effective diversity and inclusion initiative features internal and external leveraging across the organization, throughout the business units, to customers and community. The effective diversity and inclusion office equals leverage and access for the purpose of being a competitive organization. What is important is access at the top including the CEO, Board of Directors, and diversity and inclusion councils and business units.

The Diversity Best Practices organizational chart on the next page demonstrates the following best-practice principles:

- Support from top management
- Diversity and inclusion responsibility in operational functions
Diversity Leadership Chart

Board of Directors
CEO / President
Executive Diversity Council
Other “C-Suite” Executives

Diversity Officer

Network & Affinity Groups
A: Internal (Employee Network Group(s))
B: External Advisory Board

Diversity Councils
A: Overall Management
B: Functions

Retention
Representation
Mentorship
Pipeline Succession planning

Work/life
EEO
Compliance
Legal
Information Technology
Communication & Media
Research & Measurement
Customer / Client
Purchasing / Supplier Diversity

Community Relations
Foundations
Events & Sponsorships
Third-Party Relations

Stakeholder Relations
Public Policy
Government Relations
Global

Stakeholders
Stockholders
Partners

Customers

Marketing
Advertising

Diversity & Inclusion Leadership
• Demonstration of different functions that make for best-in-class diversity and inclusion
If the functions and responsibilities are aligned, there is greater commitment, efficiency, effectiveness, productivity, and revenue. Alignment is one major aspect of success. The other is the success of each function as it is applied to diversity and inclusion.

Functions and Roles
Diversity and inclusion is only as effective as the functions with which it becomes integrated. For diversity and inclusion to become a strategic business driver, leaders must understand which functions must embrace diversity and inclusion—and then work to implement appropriate synergies.

No company or government agency we are currently aware of claims to have reached the point of total integration of diversity and inclusion initiatives into all of the major business functions listed below. All have more to accomplish in terms of outreach and inclusive strategies. Many companies have developed significant synergies in as many as seven or eight of these functions. For this reason, we believe that integration is evolving and will become a bigger business imperative in the coming years.

Today, diversity and inclusion leadership is being challenged to support the workforce internally and myriad constituencies and communities externally. Leadership is about fitting the pieces of the puzzle together. Diversity and inclusion incorporates the full integration of policies, practices and program initiatives, all measured to ensure accountability. Diversity and inclusion demands building relationships every step of the way.

Best practice diversity and inclusion leaders integrate D&I across companies in the following functions:

• Workforce
  › HR linkages
  › Recruitment and retention
  › Succession planning and pipeline development
  › Matrix measurement of workforce changes
  › Work/life
  › Mentoring, reverse mentoring, sponsorship, networking, and other support systems
  › Internal awards and recognition
  › Other ancillary supportive functions
• EEO and Legal Compliance
• Diversity Councils: executive, business units
At leading companies, diversity and inclusion acts as a bridge between workforce and marketplace, transferring commitment to innovation and inclusion into all arenas in which business is conducted. The intent is to move minorities and women in and up the pipeline. Diversity and inclusion recruiting programs are focused on changing the numbers from entry-level positions to Boardroom seats. The private sector is changing fast with many companies adopting aggressive goals to meet the new demographics. From a business perspective, the highly diverse, multicultural marketplace is one of the most rapidly expanding segments of consumers in this country.

Some key factors to consider when crafting true D&I leadership include:

- **Commitment from CEOs, Boards of Directors, and top management** Top-level commitment to diversity with an inclusive “seat at the table” based on the expressed understanding of the impact diversity and inclusion has on the bottom line. This commitment extends to performance measurement by ensuring that the bonus and reward structure is tied to diversity and inclusion goals and achievement.

- **Diversity and Inclusion Officer** Senior diversity and inclusion officer with key staff support the diversity and inclusion team. Best-in-class companies almost always have a direct reporting line from the most senior diversity and inclusion officer to the CEO.

- **Strategic plan** Most of the best companies use a strategic plan to integrate elements. They set quantitative and qualitative goals.

- **Executive Diversity and Inclusion Council** A diversity and inclusion council that develops, reviews, and measures broad company diversity and inclusion goals and is supported by other diversity and inclusion councils embedded throughout the business.
becomes the framework for top-level diversity and inclusion champions. This body uses its position and influence to drive change, continually measuring progress throughout the organization and responding accordingly.

- **Integrated organization:** A sound organizational structure operating under a cross-functional model includes recruitment and retention with upward mobility; mentorship; affinity groups; training and education; communications from Internet; support to internal and external programs; external group liaison; sponsorships and events; philanthropy and community support; supplier diversity; strong research capacity; and measurement support.

- **Measurement and benchmarking systems:** “What gets measured gets done” is the phrase most companies are using. Typically at best-in-class organizations, each program is measured.

- **Multicultural marketing and sales:** There is nothing stronger to support the business case than the tie to the customer and support of new customers.

- **Diversity as impetus for the development of new products and services:** This is a major area of growth. Internal employee network groups are being used for marketing and product development and for focus groups. Global teams are doing the same.

- **Community and philanthropy ties:** The definition of community reaches three levels: local, national, and global. Partnerships and sponsorships are of major importance.

- **Supplier diversity:** Keep in mind that while purchasing has the responsibility, the diversity and inclusion office has the leadership.

- **Best-in-class diversity and inclusion leaders track the effectiveness of programs with meticulous analysis, measuring value and return on investment.** They are able to watch the evolution of diversity initiatives and their subsequent impact on all stakeholders, from shareholders to vendors to customers. Just as D&I is the future of America, so it is also a future return on investment for American business.

**Board Leadership**

D&I initiatives transcend regular corporate functions because the diversity and inclusion officer and his or her team typically feel they are part of their company’s greater mission to build the organization and show an impact as the workforce and marketplace change. Thus, they succeed when they get others in operating units to adapt diversity and inclusion for business reasons.
Companies also are looking at Board diversity more broadly in terms of the unique skills, expertise, and perspectives of their directors. This new focus on Board composition stems from an overall trend in the field of corporate governance that emphasizes strong, active Boards with a majority of independent directors. In response to these changing expectations, companies are looking beyond traditional recruitment sources in an effort to find directors who bring a greater variety of knowledge, experiences, and work styles.

The business and investment communities have long debated the legitimacy of the connection between corporate governance practices and financial performance. Nonetheless, it has become increasingly accepted that the corporate objective of maximizing shareholder value requires not only superior competitive performance, but also attention to a variety of governance issues, including Board diversity.

Board Structure

Best practices are evident in eight areas that affect a Board’s work:

Representation

Women, minority, and other underrepresented Board members often champion diversity and inclusion, but these days, white men are increasingly relating diversity and inclusion to the business bottom line as well. To that end, Board representation should reflect the myriad of diverse backgrounds, cultures, and experiences of the communities which it serves.

Engagement

Many Boards perform annual reviews of diversity and inclusion; however, best-practice CEOs study diversity and inclusion every quarter. Some top companies also have Board committees on diversity and inclusion, while others have an executive who takes the lead in engaging the Board in diversity and inclusion discussions.

Six Key Areas for Board Leadership and Oversight

- An external diversity advisory board that advises on corporate governance
- An internal diversity executive council
- A chief diversity officer who reports to a top executive and to the Board
- Guiding principles of diversity and governance
- Bonus systems that include compensation for results
- Board training on D&I
Many Boards are also asking for, and participating in, Board diversity training. Additionally, Board members review upward mobility and pipeline development, sales and multicultural marketplace data, and supplier diversity goals and achievements.

Xerox’s Board, for instance, has an annual diversity and inclusion discussion in which Board members discuss how D&I can be part of the company’s business strategy. These Board members recognize that D&I discussions are about more than information sharing; they are about improving the company’s bottom line.

Simply put, when a Board tracks diversity and inclusion performance, the corporation falls in line. When a Board does not track performance, D&I does not become a priority. Actual numbers on retention, recruitment, etc., can help the Board assess the company’s progress.

Diversifying Corporate Boards

Over the last decade, the issue of diversity in the workplace has become a topic of considerable interest and attention in the media, with stakeholders, and for companies. During this time, companies have undertaken a variety of actions and implemented a broad range of programs aimed at hiring, training, and retaining a diverse workforce. More recently, this emphasis on diversity has come to include the issue of Board diversity, as companies are increasingly being called upon to demonstrate an organizational commitment to diversity at the very highest levels of the organization.

Greater Board Diversity

While the representation of women and minorities on corporate Boards continues to lag far behind their numbers among the population at large and barriers to advancement continue to exist, Boards of Directors are slowly shifting in composition to reflect greater racial and gender diversity.

Investor Activism

Board diversity has emerged as a central issue among institutional and activist investors, and shareholder proposals calling for companies to increase and report on their Board diversity have become common.

Stakeholder Activism

A variety of external organizations representing the interests of groups have begun to conduct research and engage in advocacy on the issue of Board diversity. Activities by these
groups include conducting annual surveys on the numbers of underrepresented individuals on Boards, rating and ranking companies based on the composition of their Boards, and launching public campaigns asking companies to add women or minority members to their Boards.

**Changing Expectations for Corporate Directors**

In the last decade, institutional and activist investors have initiated a corporate governance reform movement that has called into question many of the long-standing practices of corporate Boards. Directors are increasingly expected to be independent of management, be active participants, and bring strategically advantageous skills and experiences. At the same time, many companies are limiting the number of outside Boards on which their top executives can serve. As a result, companies are casting a wider net searching outside traditional networks for candidates and contributing to the increases in diversity among corporate directors.

**CEO Engagement**

CEOs have never been more enthusiastic about diversity and inclusion. Indeed, CEOs recruit most top D&I officers and most, with the support of their Boards, have tied compensation incentives to D&I goals.

Leading CEOs understand that good diversity and inclusion programs boost business. They see that too many D&I efforts have been haphazard—so they ask for integration across business units to ensure a return on investment. When D&I officers report quarterly to the CEO and at least annually to the Board, the whole company hears the message that D&I matters.

In best-practice companies, the CEO has also become the biggest champion of diversity and inclusion programs. These CEOs understand that D&I is an operational issue for the workforce and marketplace. Diversity and inclusion programs can increase productivity and profitability. Diversity and inclusion is not just a community relations necessity—it’s a business imperative.

**CEO Commitment Is Key**

If a CEO chairs the diversity council or meets with it regularly, that company’s diversity and inclusion program earns respect and functional integration becomes much easier. Indeed, if the CEO reviews D&I representation goals and performance, the road to success is more certain.

Consider these questions when judging your CEO’s commitment:
• Does your workforce understand your CEO’s position on diversity and inclusion programs? Do your stakeholders and customers?

• Is your CEO’s diversity statement clear and used in your diversity and inclusion materials and on your Internet and Intranet site?

• Are you placing speeches and articles with your communications department that highlight your CEO’s diversity and inclusion stance?

• What can you do now to gain more CEO support for diversity and inclusion programs and communicate that support to stakeholders?

Diversity Councils

Examples of Diversity Councils Types

• Executive Council: Generally appointed by the CEO, members of the “C-Suite” and operating companies, this council’s function is exemplary of cross-functional representation when done well. The operating level of the diversity council is responsible for the day-to-day oversight of the diversity program.

• Leadership Council: Members are those with functional responsibility who can impact diversity directly.

• Diversity Council: Consists of mid-level representation.

• Operating Company or Division Councils

• Affinity Groups or Networks

• Diversity councils translate the priorities of the steering committee (as applicable) into the realities of the business units. Committee priorities include:

  - Supporting business leaders to solve problems associated with incorporating diversity into day-to-day management practices
  - Collaborating with recruiters and managers to develop and implement effective strategies for hiring and retaining a diverse workforce
  - Sponsoring research to ensure that products/services are developed and marketed to effectively satisfy the interests of a diverse customer base
  - Leading the educational campaign for zero-tolerance for harassment, discrimination, and exclusion.

Diversity Council Leadership

A diversity council leader does not have to be the senior ranking member of the committee but should demonstrate the capacity to focus on the whole enterprise—what is needed and
how to make it happen. It is important for the leader to have a track record of consistent high-level job performance over time. He or she should be known (across levels and diverse groups) for objectivity, fairness, and basic good judgment. The diversity leader needs to have authority and decision-making ability as he or she works with the members of the council.

Structure of the Executive Level Diversity Council

A council reports to the CEO, COO, or steering committee and may even include a Board of Directors representative(s). A council is established for an indefinite period of time, supporting business units to internalize diversity and inclusion into the culture of the company.

An increasing number of companies are forming advisory diversity councils made up of outside leaders. In order to achieve its mandate, the council needs clarity, purpose, and accountability. The members can make a concerted effort to play an important role in the diversity program and oversee a diversity and inclusion plan. This works if the members of the council have different backgrounds and perspectives and are committed to diversity and inclusion as a business imperative.

Diversity Council Executive Support/Funding

The business unit head provides its council member(s) with sponsorship, resources, time, and on-going interaction. The council sets concrete annual objectives, and the business unit provides the budget to produce those deliverables. The council and its members are to be held accountable for meeting objectives as any other task force or committee would. (The same process and funding are evidenced as councils are driven into the framework of the company.)

Communications and Visibility

Communications and visibility are important for the council and its members to ensure that all know the governance commitment to diversity. Companies should consider launching of an internal campaign to announce the council’s business objectives. Communications to the management and employees will “raise the level of organizational consciousness” such that it develops and maintains an expectation of inclusion and quality treatment for all.

Membership

Representatives from each business unit should serve on the council so that its membership represents a diverse slice of the organization. A percentage of the council should rotate each year, with members expected to serve in the capacity of role models for inclusion.
Setting Standards

Regular attendance at meetings and should be established as criteria for membership on the council and reviewed with the team members.

Each company differs in framework and practices but all must set the right leadership and infrastructure for their organization. They must each set principles, practices, and accountability measures and determine the frequency of meetings by the nature of the objectives to be met. Diversity Best Practices advocates that the mission, vision, operating standards, and procedures be clear, compelling and command accountability.

Creating a Corporate Diversity Steering Committee

The mission and/or objectives of the diversity steering committee are to provide executive leadership and direction to the diversity and inclusion initiative, especially in its early stages. This includes:

- Clearly articulating why inclusion is critical to business success
- Integrating D&I into the business strategy and goals, and communicating those throughout the company
- Aligning human resource policies and management practices with those strategies
- Creating/supporting (as appropriate) other D&I structures (e.g. diversity council, affinity groups, etc.).

Frequency of Meetings

A council typically meets monthly or quarterly at the executive level. Councils meet monthly at the local diversity council level. There may be committees within the diversity council, or members are assigned tasks. Frequency of meetings varies by company and nature of management, with the practices and policies are reviewed with each member.

Still, as governors of diversity and inclusion, the matrix systems, measurements, and framework on achievements are reviewed on a periodic basis. Goals and successes are now most often presented at least annually to the Board of Directors or a committee of the Board.
Conclusion

In this chapter, we:

• Studied the various phases of diversity and inclusion leadership maturity.

• Examined how best practices companies move from a “county-centric” diversity leadership paradigm to a global one.

• Reviewed a typical organizational structure for diversity and inclusion leadership.

• Considered the role of the Board of Directors in diversity and inclusion.

• Investigated how best practices companies are leveraging diversity councils.

• Reiterated the importance of CEO commitment.

• Shared best practices of leading CEOs and their companies.

Diversity and inclusion is a crucial component of any successful and growth-oriented business strategy. True D&I leaders know that a strong diversity and inclusion strategy is vital to bottom-line success, and they deeply understand the business case for building a workforce that is reflective of the ever-changing demographics of the market and the opportunities afforded with diversity as a competitive advantage.

Corporate luminaries of diversity and inclusion demonstrate exemplary leadership as well as innovative and positive responses to demographic shifts in the global workforce and marketplace. These individuals share a tireless commitment and passion for diversity and inclusion within their respective companies. And their experiences prove that diversity isn’t just the right thing to do, it is the business thing to do.
Diversity Primer

Case Study: Dell, Inc.

In today’s complex world, many companies are undergoing significant transformations. This is coupled with significant demographic shifts happening in every corner of the world.

Did you know?

• For every one baby born in the U.S., 10 are born in China and India.
• In the U.S., people of color are becoming the majority.
• The next generation of our workforce is driven by values and a desire for work-life balance.
• The majority of small businesses are created and led by women.

These shifts create a time of incredible change and opportunity. This is true for Dell. However, during this time, it is important to understand that Dell is not losing an important foundation for success—its commitment to diversity and inclusion.

The company’s diversity and inclusion strategy is simple—helping Dell succeed with a global workforce that is highly talented, committed, and reflective of its global customers. This means that Dell provides an open and inclusive workplace. Dell’s definition of diversity covers not only differences in race, gender, and sexual-orientation, but also geographic location, education, work styles, ethnicity, and communications style, among others. Diversity and inclusion are a competitive business advantage.

“We can better serve diverse global customers when we leverage the full benefit of our collective experiences, insights, and talents of our global workforce at all levels of the organization,” believes Gil Casellas, vice president, corporate responsibility, and chief diversity officer. “We strive to ensure that each employee is heard and valued and that personal strengths and perspectives are assets to the company, rather than left at the door.”

“I’m sometimes asked if diversity is really important to our leadership,” continues Casellas. “I can definitely say ‘yes.’ In fact, diversity and inclusion are a business imperative, opportunity, and responsibility, and it starts at the top. Michael Dell, our chief executive officer chairs our global diversity council, and six executives, three from Dell’s Executive Leadership Team, also sit on the council.”

The Global Diversity Council has taken an active role in shaping Dell’s diversity and inclusion strategy, which will be focused on:

• Strong, visible leadership commitment and clear expectations on accountability for diversity and inclusion
Diversity Primer

Diversity Best Practices

• Genuine commitment to diversity and inclusion built into Dell’s business practices
• Thorough integration of these behaviors in Dell’s talent and performance management

By providing accountability, priorities, and leadership engagement, the Global Diversity Council and Michael Dell committed to having each member of the executive leadership team (ELT) be accountable for owning their diversity goals and metrics and for prioritizing the retention, recruitment, and development of underrepresented groups in the company’s leadership ranks.

Dell’s organizational and human resource planning process (OHRP) provides a clear example that diversity is a business priority and that its leadership is committed to making it a reality. In each ELT member’s OHRP process with Michael Dell, the diversity and inclusion questions are usually raised by Michael Dell and the individual ELT members, rather than by the chief diversity officer. Says Casellas, “It is reassuring to know that for our CEO, diversity remains a priority even during such tough economic times.”

The Dell leadership is becoming more and more engaged in the company’s diversity and inclusion efforts. Numerous senior leaders serve on the boards of employee resource groups, and Michael Dell has personally hosted events for high potential diverse employees, met with the executive leadership of employee networking groups, and served as a keynote speaker for an employee resource group meeting to share his personal commitment and vision for diversity and inclusion.

As Dell continues its transformation, diversity and inclusion will remain an integral part of its overall business strategy. By continuing to drive these initiatives throughout the company, Dell hopes to harness each individual’s full potential, provide the best Customer Experience, drive innovation, become a better place to work, and ensure it has an inspired workforce.
Case Study: Sodexo USA, Inc.

Sodexo’s commitment and focus to diversity and inclusion within its organization includes a comprehensive, top-down/bottom-up strategy, according to Dr. Rohini Anand, senior vice president and global chief diversity officer. This may seem contradictory, but it is a strategy that has achieved massive success within the company. The inclusive attitude begins at the top, with Anand and CEO Michel Landel. Diversity is one of the six imperatives on Sodexo’s national agenda, and diversity leadership is vital for setting the tone and keeping the focus among the company’s 125,000 employees.

The benefits of diversity leadership begin with tangible effects on business. “Our senior executives recognize the value diversity brings to business growth,” says Landel. “Since we are committed to investing in diversity, we are reaping the results in terms of building alliances with clients who have similar value systems to ours.” On more than one occasion, clients have chosen Sodexo based on its diverse environment. This reinforces the importance of diversity among chief executives who then relay that message to their subordinates.

Communication and accountability are the driving forces behind Sodexo’s diversity leadership. The CDO herself reports directly to the CEO and is also a member of the executive team which oversees diversity initiatives. The CEO also chairs the Diversity Leadership Council, a group that sets the direction of the company’s strategy. Sodexo utilizes e-mails, presentations, meetings, and newsletters to support the message of inclusion among all employees.

Furthermore, Sodexo recently created three Senior Director of Diversity positions within each of the market segments (education, corporate, and health care) that report directly into the market president. This fosters communication and encourages accountability. But perhaps the most innovative strategy is also the most effective. Ten to 15 percent of managers’ bonuses and 25 percent of executive team members’ bonuses are directly impacted by success in the diversity area. These incentives are given to the deserving regardless of the overall financial performance of the company.

The Diversity Leadership Council is led directly by Landel, for whom diversity is a personal goal. In addition to the CDO and the Senior Directors of Diversity, Sodexo’s Office of Diversity includes Executive Team members who play a key role in leading the diversity efforts, with many members actively engaging in community service and receiving external recognition for contributions. Each market segment has a diversity council that helps to drive diversity and inclusion within their respective market segments. The Diversity Leadership Council meets quarterly but reviews progress and results monthly.

This organization has enjoyed many successes, with one of the biggest being, according to its website, that “80 percent of Sodexo’s managers firmly believe the company values
diversity and inclusion and that its managerial teams are clearly demonstrating this to employees.” All of the company’s managers, more than 15,000 in total, have completed training in equal employment and affirmative action. Many employees have also gone through awareness and cross-cultural communication training sessions and learning labs. The Diversity Leadership Council has also introduced a diversity scorecard that contains quantitative measurements to help managers and executives judge the success of initiatives and determine incentives.

“I believe that leadership commitment and buy-in is a foundational prerequisite,” asserts Anand. “At Sodexo, we have invested considerable time and resources in ensuring that we have the executive buy-in necessary for any culture change initiative.”