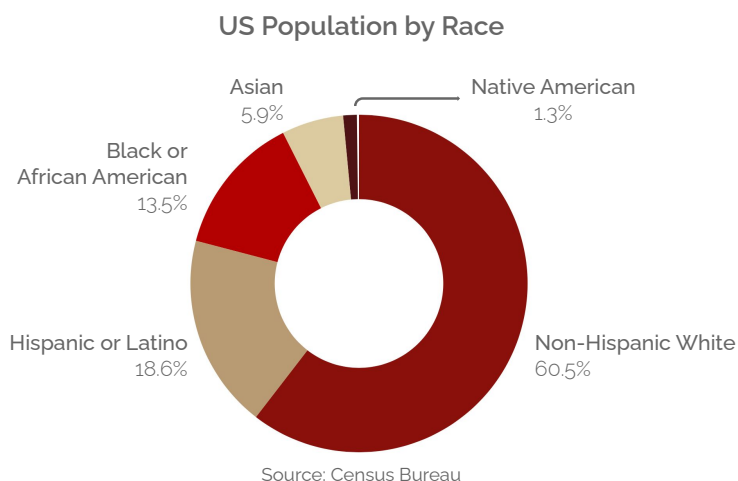


Addressing Race in the Workplace: Advancing Diversity, Equity, and Inclusion

Global companies realize the strength that comes from recruiting and retaining a diverse workforce and creating an inclusive workplace. Diversity encompasses many visible and invisible aspects of identity, but in 2021, it is clear that race continues to be an issue of particular concern. While many White Americans believe the United States to be a post-racial society, citing such events as the Civil Rights Movement of the 1960's or the election of the first African-American president in 2008, tensions and inequalities persist. The events of 2020 made clear what people of color have always known; society has not come as far as many Americans believe. Recent events have highlighted the ways that centuries of systemic racism continue to shape our society, from our schools to our neighborhoods to our workplaces.

At the end of 2018, less than half of the companies in the S&P 500 had a Chief Diversity Officer or similar position, according to a study by Russell Reynolds. With the economy in flux and the future unknown, many companies are struggling to stay afloat and may not have the financial or management resources necessary to dedicate to diversity programs. And yet, most recognize that diversity and inclusion efforts must remain a business imperative. This paper focuses on the state of diversity in the workplace, the organizational impediments to implementing inclusive policies, and suggestions for building and maintaining diverse, equitable, and inclusive workplaces.

The State of Diversity in the Workplace



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- ▶ Corporate Best Practices

AUTHORED BY

Victoria DiMillo

Asst. Director, Member Services
BC Center for Work & Family

Alexis Brown, Ph.D.

Social Psychologist and Work Life Practitioner

Prof. Brad Harrington

Executive Director
BC Center for Work & Family

CONTRIBUTING ORGANIZATIONS

Chubb

Dot Foods

PwC

TD Bank

CONTRIBUTING BCCWF STAFF

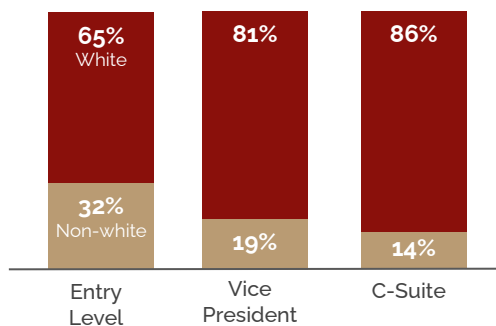
Jennifer Sabatini Fraone

Director of Corporate Partnerships

With each passing year, the US population grows more diverse, and Pew Research Center predicts that Generation Z will be the most diverse in US history. While 60% of the general population are non-Hispanic Whites, only 52% percent of those born after 1996 are. These shifting demographics will impact the workforce and drive the increasing need for diversity and inclusion initiatives.

The current composition of the workforce does not reflect the United States' increasing diversity. White people are consistently overrepresented at all levels of US corporations, an inequity that only increases as one moves up in the organizational hierarchy.

Workplace composition by race



Source: SHRM (2020)

In the C-suite, only 14% of positions are held by people of color, and women of color hold only 4% (Agovino, 2020). In 2018, the US Equal Employment Opportunity Commission reported that Black professionals held just 3.3% of all executive or senior leadership roles, and only five of the Fortune 500 companies in 2020 had Black chief executives (Sahadi, 2020). This lack of representation leaves people of color feeling skeptical of ever achieving a top job at their organization. As a result, many people of color stall in their careers or leave organizations altogether.

Beyond Demographics: The Business Case for Racial Diversity

Many businesses today operate in an increasingly global context, and organizations must acclimate rapidly to the demands of a dynamic, diverse, and global world. Business leaders must understand and embrace diversity as a key competency in order to operate effectively. Diverse, equitable, and inclusive work environments generate a competitive advantage for companies across multiple dimensions, but their creation is not a short term undertaking. True change requires a long-term commitment at all levels of the organization. Diversity, equity, and inclusion must be codified as organizational values and their benefits must be widely communicated, understood, and appreciated.

THE LANGUAGE OF DIVERSITY AND INCLUSION

Diversity: psychological, physical, and social differences that occur among any and all individuals; including but not limited to race, ethnicity, nationality, religion, socioeconomic status, education, marital status, language, age, gender, sexual orientation, mental or physical ability, and learning styles.

Inclusion: the act of creating environments in which any individual or group feels welcomed, respected, supported, and valued to fully participate and bring their authentic selves to work. Inclusion brings traditionally excluded individuals and/or groups into processes, activities, and decision/policy making in a way that shares power. Organizations often *assume* the inclusion of diverse individuals.

Belonging: addresses the fundamental human need of social belonging, the lack of which can lead to lower organizational commitment and engagement. Many D&I training programs miss the mark because they neglect the human need to feel included.

Equity: the guarantee of fair treatment, access, opportunity, and advancement while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups. Equity acknowledges that there are historically underserved and underrepresented populations, and that correcting these unbalanced conditions assists equality in the provision of effective opportunities to all groups.

Implicit bias: implicit biases reside beneath our level of awareness and affect our understanding, actions, and decisions. These biases can result in feelings and attitudes about others based on characteristics such as race, ethnicity, gender, age, and appearance. These associations develop over the course of a lifetime through exposure to direct and indirect messages. Implicit biases predict behavior in the real world and tend to favor one's own ingroup.

BUSINESS CASE FOR RACIAL DIVERSITY

Improved financial performance. Organizations with diverse executive teams were up to 33% more likely to financially outperform their less-diverse competitors, whereas companies in the fourth quartile on both gender and ethnic diversity were more likely to underperform their industry peers on profitability by 29% (McKinsey & Co., 2018).

Increased innovation and creativity. Diversity is crucial for innovation. Heterogeneous workforces yield better performances than homogenous ones because diversity enhances creativity and encourages the search for novel information and perspectives, leading to better decision making, improved problem solving, and higher-quality outcomes (Phillips, 2014).

Increased organizational engagement and decreased organizational costs. US businesses spend nearly \$8 billion each year on diversity and inclusion trainings that fail because they neglect the human need to feel included. Forty percent of people say they feel isolated at work, which results in lower organizational commitment and engagement.

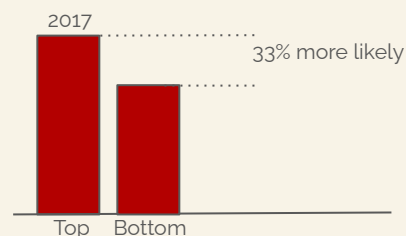
Decreased attrition and turnover costs. The failure to create an inclusive and equitable workplace environment can increase attrition among employees of color, which drives up turnover costs. Research indicates that more than one in three Black employees intend to leave their current organization within two years as a result of prejudice and microaggressions. Furthermore, Black employees are 30% more likely to intend to leave than White employees are (Coqual, 2019).

Demand from customers. Today's consumers demand ethical leadership from corporations and are adept at discerning when ethical statements are substantive. This demand for action is increasingly led by younger Millennials and Generation Z. These generations vocally hold corporations responsible for their response, or lack thereof, to myriad ethical issues that arise. They seek out companies that act pro-socially or ethically and sometimes boycott corporations that do not.

The moral imperative. While the statistics presented here are compelling, much of the financial business case for diversity relies on correlation, not causation. Ely & Thomas (2020) contend that the business case is incomplete without acknowledging the moral imperative of human dignity. Increasing diversity without adequately confronting inequities and willingly reshaping power structures will not produce these financial benefits. Furthermore, overemphasizing economic payoffs can alienate people from underrepresented groups, who are left feeling exploited by the organization. Moving from a financial business case to a moral one requires commitment and strong alignment with corporate values.

Organizations with greater ethnic diversity among executives are more likely than less diverse peers to outperform average industry profitability

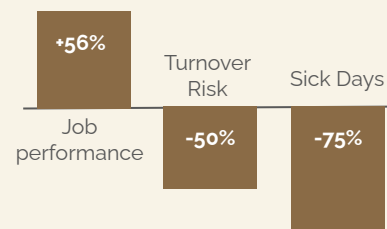
(national industry median EBIT %)



Executive ethnic diversity by quartile

Source: McKinsey & Co., 2018

Inclusive work environments lead to increased belonging, which is linked to...

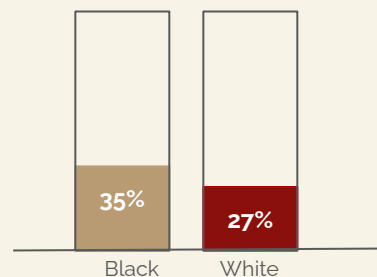


\$52M

Potential annual savings for a 10,000 person company

Source: Carr et al., 2019

More than 1 in 3 Black employees intend to leave within 2 years



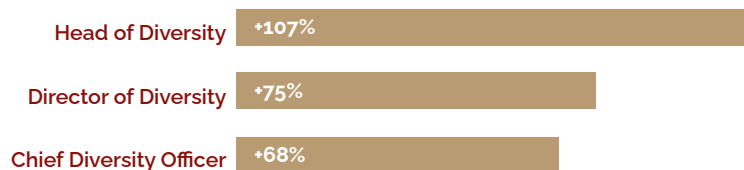
Source: Coqual, 2019

Challenges to Developing a Culture of Inclusion

Changing the culture at its core requires a long-term commitment. Beyond the financial cost of culture change is the cost of human resources and time. No single training program or resource will be adequate to address this challenge. Organizational change requires a long-term commitment and partnership by executive leadership, middle management, and all employees. Increasing a sense of belonging and appreciation for employees of color necessitates a multifaceted, multi-phased approach that must be sustained over time. Often, it can take a long time for employees to experience tangible results, as the process may need to be revised at multiple points throughout the journey. Planning for and communicating honestly about setbacks and missteps is critical.

Absence of dedicated DEI leadership. Many organizations are taking steps toward long-term change by implementing roles dedicated to diversity, equity, and inclusion. Data shows that the number of diversity leadership roles have been increasing globally since 2015. Since the summer of 2020 alone, job listings for diversity and inclusion have been posted 4.3 times more frequently than before (Anderson, 2020). Mallick (2020) recommends that a Chief Diversity Officer report directly to the CEO and have access to and support from the entire C-suite. A new CDO cannot come in, wave a magic wand, and transform an organization into an anti-racist one overnight. The person will need dedicated resources to drive cultural change.

Increase in diversity leadership roles, 2015-2020



Source: LinkedIn (2020)

Lack of authentic communication. Efforts that are not based on the needs and concerns of employees can fall flat or lead to resentment. Therefore, in order to successfully introduce effective inclusion strategies into a workplace culture, employees of color should be invited to share what is important to them. Facilitating honest conversations regarding race in the workplace can be uncomfortable. It can also be a challenge to make sure that employees do not feel that they are being asked to solve workplace problems regarding race, but rather are being asked to share their lived experience. Consciously developing safe spaces for authentic communication sets the foundation for diversity, equity, and inclusion programs.

Implicit biases embedded in human resource practices. Implicit biases permeate all aspects of the workplace if they are not consciously examined. Examining these biases requires not only a review of recruitment and hiring processes, but also how well employees of color grow, advance, and feel accepted. Implicit bias training is a useful tool in combating unintentionally discriminatory practices, but it is critical that leaders not merely “check the box” on the training. Consciously addressing implicit biases requires ongoing reflections that continue the lifelong process of unlearning. Everyone involved should be aware of and value the purpose of such reflection periods and be willing to hold one another accountable.

BEST PRACTICE

A Deep Commitment to Recognizing and Combating Unconscious Bias



In 2009, in partnership with Harvard Professor of Social Ethics Mahzarin Banaji, PwC began to develop the foundation of its unconscious bias program *4 Real*, a series of brief videos geared at helping employees to recognize and combat unconscious biases - or blind spots - which they carry into the workplace. Grounded in the science of how the mind develops assumptions and stereotypes, the self-administered training aims to educate employees about different types of biases and the ways in which these influence decision-making. To date, 40,000 PwC employees have completed the training. For a more in-depth look at the training and its impact, [please click here](#).

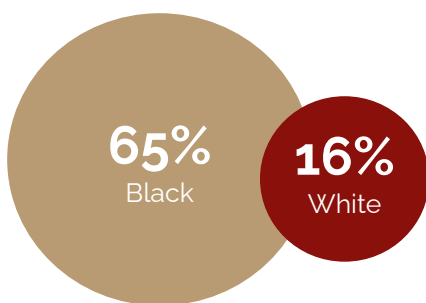
Limited investment/ funding allocated to diversity programs.

Training on implicit bias or diversity and inclusion can improve sensitivity and awareness in the workplace, but it requires organizations to allocate a budget for this work. Consultant fees depend on the size and complexity of the organization seeking training, the scope of services desired, and the number of office locations that will need to receive face-to-face training. If the training budget is limited, the extent of the training offered to employees will also be limited. Change agents must work with leadership to determine what funds are available, an action plan around improving diversity and inclusion, and the ways in which leaders and employees can partner to carry out that plan. If dedicated funds are low, organizations must decide how to show commitment for change in other meaningful ways.

Resistance from “majority employees”. According to SHRM, 43% of American workers believe discussions about race are inappropriate at work, making it difficult to challenge the status quo. Change can feel uncertain and uncomfortable, and majority employees may not be ready to undertake the self exploration required for successful organizational change regarding race.

Furthermore, many majority employees are not sensitive to the degree of difference that employees of color experience in the workplace. While 65% of Black professionals say it is harder for Black employees to advance, only 16% of White professionals agree (Coqual, 2019).

Percentage of employees who believe it is harder for Black employees to advance



Source: Coqual, 2019

Many organizational leaders, primarily White men, have been able to achieve great success without diversity efforts. These key stakeholders may need to be convinced that improving inclusion for employees of color is worth the effort required and that it not only benefits employees of color, but also the organization at large.

WHAT IS WHITE FRAGILITY?

In her 2018 best-selling book, *White Fragility: Why It's So Hard for White People to Talk About Racism*, author Robin DiAngelo delves deeply into the discomfort and defensiveness that a White person feels when confronted by information about racial inequality and injustice. DiAngelo asserts that White people in the United States live in a social environment that insulates them from “race-based stress.” This environment of racial protection builds White expectations for racial comfort while at the same time lowering their capacity to tolerate racial conflict.

This is the essence of White fragility; for White people, even a small amount of racial stress becomes intolerable and it can trigger defensiveness. Typical reactions include anger, guilt, or withdrawal, and the ensuing behaviors function to reinstate White racial equilibrium. The result is often an inability or unwillingness to see the systemic advantages White people experience or to address systemic disadvantages. This, sometimes unconsciously, perpetuates systemic racism.

DiAngelo challenges White people to take responsibility to “be less fragile” so that people of color don’t need to “twist themselves into knots trying to navigate us as painlessly as possible.”

43%

of American workers believe discussions about race are inappropriate at work

Effective Strategies and Practices to Recruit and Retain a Diverse and Inclusive Workforce

There is no such thing as a one-size-fits-all approach to diversity, equity, and inclusion. Solutions and commitments must be created specifically to match the environment. The following practices should be considered in the context of the organization and selectively applied where relevant.

RECRUITMENT

Rethink job descriptions. Changing the messaging on job descriptions, even through subtle word choices, can have a big impact on diversity sourcing and attraction efforts. Encouraging hiring managers to be more open to candidates who do not meet all the job requirements opens the position up to candidates who are ready to move up and grow into the position.

Establish objective criteria, define “culture fit”, and demand accountability. Implicit biases concerning “culture fit” often lead to homogeneity in the workplace. It is important to establish objective criteria for all open roles and to rate each applicant using a standard rubric. If using technology, ensure those tools are built on data that is fair to all socio-demographic groups. Proactively test technologies for disparate impacts on workers and check for implicit biases on the back end. When one insurance company began hiring with objective criteria, it ended up offering jobs to 46% more nonwhite candidates than before (Williams & Mihaylo, 2019).

Insist on a diverse pool of candidates. The odds of hiring a nonwhite candidate are 194 times higher with at least two nonwhite candidates in the pool (Williams & Mihaylo, 2019). To build a diverse pool, search using sources such as historically Black colleges and universities, Hispanic and Latino organizations, or professional groups like the National Association of Asian American Professionals. When asking for referrals, reach out to employees of color to source from their networks. This strategy should not be used in isolation, as it may cause the burden of equality to fall exclusively to employees of color.

Consider blind hiring practices. Use a blind resume review to ensure focus on a candidate’s specific qualifications and talents rather than surface demographic characteristics. Shopify recently held a virtual career fair and assigned neutral avatars to all attendees that were race, age, and gender agnostic. (McLaren, 2019). This allowed recruiters to objectively evaluate applicants based on their experience and competencies.

Restructure interviews and retrain hiring managers. Unstructured interviews are often unreliable for predicting job success. Skills-based questions and work sample tests force employers to critique the quality of a candidate’s work versus unconsciously judging them on appearance or race. Ask all interviewees the same questions and ensure that each question directly relates to the desired knowledge and skills. Rate the answers immediately in order to compare candidates fairly. Train hiring managers on equitable candidate evaluations and ensure that these managers are diverse in gender and race.

BEST PRACTICE Partnering with HBCUs



Dot Foods has adopted a company-wide strategy to increase diverse talent, which includes unconscious bias training, revamping its recruitment and hiring practices and strengthening its onboarding process. In 2016, Dot began efforts to recruit from Historically Black Colleges and Universities (HBCUs) and has had several campaigns geared toward operational, sales, and IT positions. As of 2019, Dot has grown applications and job views from 5,000 job views/50 applications/0 hires to more than 58,000 job views/500 applications/3 hires.

Dot has been named in HBCU Connect’s Top 50 Diversity Recruitment Employers list, recently at #20. **HBCU Connect** works with organizations to assist in efforts to reach students and alumni. Dot was recognized for doing an excellent job in efforts to target students and graduates from HBCUs for employment.

RETENTION

Merely increasing the number of diverse employees in an organization does not dismantle the systems of inequity that exist. Many organizational diversity and inclusion initiatives stall at the recruitment stage and fail to retain and promote employees of color, leading to the “illusion of inclusion” (Roberts, 2020). When people of color rise to leadership, it encourages younger employees of color and demonstrates that they can grow within the organization.

Neglecting to meaningfully challenge the status quo can lead to negative lived experiences for Black employees. Typical retention tools, such as competitive pay and benefits, are ineffective if employees do not feel comfortable in their work environment. While leaders recognize the importance of a diverse workforce, they often fail to create an environment that values individuals for their unique perspectives and ensures they will want to stay with the organization. Rather than requiring employees to assimilate into existing company cultures, which were developed at a time when the workforce consisted predominantly of White men, organizations must adapt the company culture to make it truly equitable for an increasingly diverse workforce.

Combine transparency with action to achieve authenticity.

Statements about cultural change that are not supported by transparency and concrete action suggest a lack of authenticity that alienates both consumers and employees. At one organization, the chief executive “took a knee” in solidarity with Black people, but only 4% of his organization’s executives are Black (Agovino, 2020). These glaring disparities do not go unnoticed. The difference between performative and active allyship is authenticity, and a company’s authentic commitment to diversity may be the deciding factor for employees of color. If an employee feels they will be the “only” in their organization and they will not receive the support needed in order to thrive, the company is far less enticing as a place of employment.

Establish measurable high-level diversity and inclusion goals and create an action plan to achieve them. A successful action plan should establish a vision and motivate change. It should clearly outline timeframes, responsibilities, and necessary resources. Setting goals, collecting data, and examining change over time increases accountability and transparency. Linking diversity goals and senior executives’ pay increases the likelihood these goals will be accomplished. Despite this, only 2.6% of the companies surveyed by Pearl Meyer in 2019 said that fulfilling diversity goals determined some portion of chief executives’ pay. One company that holds each member of its Executive Committee accountable for his or her performance on diversity and inclusion measures has seen shareholder return increase by 120% and share price increase by 73% (Eavis, 2020).

HOW TO BE ANTI-RACIST

In *How to be an Antiracist*, Ibram X. Kendi, a National Book Award winner, develops a vision for those who seek to go beyond an awareness of race to explain how one can become an active agent for change. An antiracist is someone who wants to contribute to the formation of a more just and equitable society.

Kendi argues that the dichotomy of either being a racist or not a racist is a false one. He suggests that we must choose to be either racist or antiracist, that being passive in the pursuit of social justice is an insufficient option.

Through his personal narrative, which explores his own early support for what he has come to see as racist ideals, and chapters on power, culture, behavior, color, space and ethnicity, Kendi asserts that to be truly antiracist, one must set oneself against all forms of social oppression. Everyone should feel responsible for our current racial situation and equally, everyone has the opportunity to foster change by taking on the role of antiracist.

Percentage of US organizations surveyed



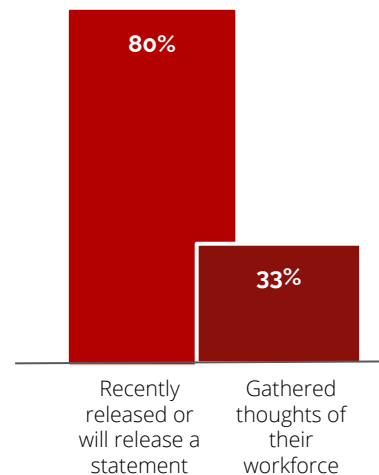
Source: Sastry & Tagle, 2020

Hold honest conversations about race and listen to employees of color.

Leaders must communicate with empathy and awareness about the racial injustice with which the country is grappling. When leaders neglect to hold conversations about matters of racial and social injustice, employees are left to wonder if they even care, which can lead to a lack of trust that stifles future change efforts. Though more than 80% of organizations recently released or will release a statement to employees about racial injustice and protests, only one-third have gathered the thoughts of their workforce on those issues, according to SHRM (Agovino, 2020).

To create a culture of psychological safety and pave the way for open communication, senior leaders must model transparency and authenticity in both formal and informal discussions. Leaders should encourage people to share ideas, ask questions, and address issues without fear of reprisal. If leaders listen and respond to feedback in a meaningful way, employees will develop trust in the process. These candid conversations will not be immediately comfortable, but they are required to interrupt the patterns that maintain structural disadvantages. Unfortunately, uncomfortable and honest conversations are often missing from failed diversity initiatives.

Percentage of US organizations that took action on racial injustice issues



Source: SHRM (August 2020)

INSIGHTS FROM THE BLACK EXPERIENCE

This framework distills the ideas shared in the book *Race, Work, and Leadership: New Perspectives on the Black Experience* (2019). It outlines common initiatives and familiar labels - diversity, inclusion, equity, and justice - and contextualizes them in the reality of the Black employee experience. The model demonstrates the relationship between corporate initiatives and the challenges faced by Black professionals, including barriers to **access**, **authentic** identity expression, **advancement**, and **authority and accountability** in the workplace.

BARRIERS	INITIATIVES
ACCESS	<i>Diversity</i> Representation and pipeline
AUTHENTICITY	<i>Inclusion</i> Organizational culture and belonging
ADVANCEMENT	<i>Equity</i> Performance evaluation and leadership development
AUTHORITY & ACCOUNTABILITY	<i>Justice</i> Power dynamics and leadership profiles

Developed by Dr. Laura Morgan Roberts, Professor of Practice, UVA Darden School of Business



BEST PRACTICE

Organizational Commitment to Anti-Racism

Chubb operates within a dynamic and changing global environment where marketplaces and customers are culturally diverse and broad. Meeting diverse customer needs requires the best minds collaborating in a rewarding and supportive environment. The company's diversity, equity and inclusion strategy is designed to support Chubb's ability to attract, develop and retain the best talent -- regardless of background.

The events that unfolded across the U.S. in recent months focused Chubb's attention on the persistent challenges arising from bigotry, racism and racial injustice in society, particularly for Black people.

"We want to enhance our individual and collective understanding of racism in society and strive within Chubb to be anti-racist in our behavior as individuals and as an organization."

Evan G. Greenberg, Chairman and CEO, Chubb

One important step in understanding the issues of racial equity and diversity at Chubb involved an assessment that provided meaningful insights about the Black employee experience and the impact company policies, practices and behaviors have on its workforce.

Informed by these learnings, Chubb is taking actions to be an anti-racist company. These specific initiatives include:

- ***Race Matters Series.*** Chubb launched Race Matters as an overarching educational platform to create greater consciousness of racism, and understanding of the Black experience through communication, training and self-education. This platform is primarily designed to socialize educational content and to provide guidance and resources to Chubb employees. Beyond creating a safe space for dialogue, this forum avails new and existing learning and development programs to promote actions at the individual and team level.
- ***Fair play in talent practices.*** Chubb retains a high focus on promoting equity to ensure a level playing field and opportunities for all employees, including mitigating for unconscious bias in hiring, promotions, pay, and performance assessments.
- ***Inclusive hiring.*** Chubb is expanding the recruitment and sourcing of Black and other diverse talent and accelerating talent readiness through development, mentoring, and promoting internal movement. Managers are supported to improve workforce diversity by using an inclusive hiring toolkit which integrates proven practices to proactively address bias within the hiring process.
- ***Industry partnerships and external efforts.*** Chubb established a roundtable for racially diverse leaders within the industry aimed at attracting and retaining racially diverse talent. Also, working through the Chubb Charitable Foundation and the Chubb Rule of Law Fund, the company is supporting a range of programs to address inequality and promote social, economic and racial justice.

Chubb is committed to racial equity and justice and views this commitment as a long-term journey to sustain lasting change.

Encourage sponsorship and allyship. Cross-racial sponsorship is critical to development and advancement in the workplace. Furthermore, the presence of an ally increases feelings of belonging and mitigates the detrimental effects of feeling excluded. Team leaders and colleagues can serve as fair-minded allies by calling out racism, abuse, and microaggressions whenever they occur to create a psychologically safe environment (Carr et al., 2019).

Be deliberately conscious of equity when creating company policies and workflows to mitigate implicit bias in the day-to-day. Mindfully design and assign people to high-value or stretch projects, equalize access to leadership proactively, and schedule meetings inclusively to level the playing field. Call out and interrupt majority-group members who dominate conversations or take credit for minority-group ideas. Assign “office housework” on a rotating schedule and do not ask for volunteers so that it does not all fall to women, particularly women of color (Sastry & Tagle, 2020).

“Most [D&I programs] take a broad-brush approach to diversity, attempting to serve all minorities plus white women, LGBTQ employees, and those who are neurodiverse or disabled and offering uniform training and leadership development that ignore historical patterns of exclusion, marginality, and disadvantage for each group.”

Roberts and Mayo (HBR 11/14/19)

Segment employee assessments to identify specific pain points that might lead to attrition. Measuring progress and adapting based on data is useful, but only if the data is disaggregated by race, role, and level to identify where the disparities, inequities, and outcome gaps lie. Collecting qualitative data as a follow-up to the quantitative data helps stakeholders to understand the “why” behind the numbers.

Develop teams members equally. All team members should be given fair performance reviews and equal access to high-potential assignments, promotions, and pay increases. Clarify evaluation criteria to focus on performance and skill sets, not potential or personality, level the playing field with respect to self-promotion by requiring self-evaluations and self-advocacy, and explain clearly how training, promotion, and pay decisions will be made (Williams & Mihayo, 2019).

HOW TO BE A BETTER ALLY

What is allyship? According to David Smith and Brad Johnson, authors of *Good Guys: How Men Can Be Better Allies for Women in the Workplace*, allyship is “a strategic mechanism used by individuals to become collaborators, accomplices, and co-conspirators who fight injustice and promote equity in the workplace through supportive personal relationships and public acts of sponsorship and advocacy.”

In her article, “How to Be A Better Ally to Your Black Colleagues”, Wharton professor and diversity and inclusion expert Stephanie Creary outlines her **LEAP framework** for doing just that. The first step is to **listen and learn (L)** from your Black colleagues’ experiences. Ways to do so include attending company town halls on race or attending your organization’s Black employees resource group (ERG) meetings, if appropriate. These activities also help with the second step, **engaging (E)** with Black colleagues in racially diverse settings where they will feel more open. If Black employee resource groups do not exist, Creary suggests joining an online community where the personal experiences about race are openly discussed.

The third step involves inquiry - **asking (A)** Black employees about their career goals. Learn about their aspirations, their vision for their career, and any concerns they have about achieving that vision. The final step is to **provide (P)** your Black colleagues with opportunities, encouragement, and support, often through sponsorship. Sponsoring includes introducing Black employees to influential colleagues, championing them for stretch assignments, and visibly acknowledging their accomplishments with others.

Leverage Employee Resource Groups to help better understand biases and barriers. ERGs allow employees to connect and share experiences with their coworkers, but can also be instrumental in trying to push DE&I efforts forward. Build connections between ERGs and management to empower them to impact the direction of the organization. Be sure to reward them for their efforts.

Engage managers and commit to ongoing learning and long-term transformation. The work of racial equity is never done. While it is unrealistic to assume that all managers will immediately see the value of change initiatives, interventions that work with and engage managers are more sustainable and long-lasting. It is therefore worth investing time in explaining why a culture change is necessary, as well as the inherent risks to the organization if current approaches toward inclusion are not improved. Change agents need to clearly define how the change process aligns with the organization's strategic goals to gain long-term buy-in. Both majority employees and employees of color should be invited to become active participants in the change process.

“As leaders, especially as white people, failure to stay the course and to use our power to disproportionately shoulder the burden to combat racism at work is a violation of the trust that [people of color] put in us and this process.”

Hecht (HBR 6/16/20)

BEST PRACTICE

Black Employee Network



America's Most Convenient Bank®

As the Black community and its allies protested for racial justice around the globe this summer, TD Bank's top leaders knew bold action was necessary to answer the call. That's why the bank made public its commitment to help fight systemic and individual racism.

One of the most important first steps at TD Bank happened in July when the company expanded its regional African American & Caribbean leadership resource group to launch the bank-wide U.S. Black Employee Network (BEN). The goal of the BEN is to engage and inform colleagues about initiatives involving the Black experience and combat anti-Black racism both inside and outside the walls of TD.

BEN is part of the bank's efforts to help increase Black representation in leadership roles. Bharat Masrani, Group President and CEO, TD Bank Group, has committed to double the representation of Black executives by the end of 2022.

The bank has also established a new enterprise-wide Black Experience area of focus within its Diversity and Inclusion program and initiated enhanced bank-wide training programs.

The efforts of the BEN are concentrated in three pillars that align with TD Bank's organizational focus:

- **Colleague** – Early Talent, Executive Ready and Executive representation
- **Customer** – Customer and supplier strategy
- **Community** – Financial literacy engagement across impacted communities

BEN will also help facilitate conversations that may be uncomfortable but are critical to helping colleagues better understand the perspective and experiences of Black colleagues. These conversations will ultimately help the bank get closer to the important goal for the workforce.

TD will report annually on its progress, highlighting challenges and provide additional detail on programs to colleagues and customers.

Conclusion

With each passing year, the United States becomes more diverse, and yet people of color remain consistently underrepresented and under-promoted in US organizations. While the case for increased diversity and inclusion is compelling, companies face many barriers to creating a diverse and inclusive workplace, including the difficult nature of authentic conversations, resistance from majority employees, organizational inertia, deeply held implicit biases, and limited funding.

Organizations should be mindful of not just recruiting but also retaining and promoting diverse individuals. Simply increasing the number of diverse employees does not dismantle the systems that prevent people of color from developing a sense of belonging and advancing within an organization. To increase representation throughout an organization, leaders must work to challenge implicit biases, engage in honest and vulnerable conversations, and mindfully support and mentor people of color for advancement opportunities.

The risks of not making a serious commitment to racial diversity, equity, and inclusion can be damaging for an organization. Lower levels of employee engagement, hampered productivity, and decreased loyalty among employees of color are some of the consequences that may occur. However, when organizational leaders prioritize and commit to improving diversity and inclusion practices and policies over the long term, they create a supportive workplace that empowers all employees to thrive and contribute to higher organizational performance overall.

The time is now for organizational leaders to pause and reflect. Taking an honest look at existing diversity and inclusion policies and practices and identifying where improvement should occur is an examination that is well worth the effort. Mapping the path forward and following through on planned actions is critical. In order to maximize organizational wellbeing and epitomize the work experience for all employees, a commitment to nurturing a diverse and inclusive work environment must be made, prioritized, and celebrated.

“You have to act as if it were possible to radically transform the world.”

Angela Davis, Author and Activist

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