Cornell University
ILR School

Cornell University ILR School

DigitalCommons@ILR

Student Works

ILR Collection

10-2017

What are Companies Doing to Retain as Well as Develop People of Color and Women?

Rachael Berkoff
Cornell University

Brian Fredrich
Cornell University

What are Companies Doing to Retain as Well as Develop People of Color and Women?

Abstract

[Excerpt] Despite their best efforts, many corporations are unsuccessful in their attempts to create more inclusive environments that allow for progression and growth of women and minorities. More than 75% of CEOs include gender equality in their top ten business priorities, but gender outcomes across the largest companies are not changing. People of color represent 18% of directors and women of color represent only 4% of directors.

Many leaders would theorize that this is a "pipeline" issue in that fewer qualified women and minorities are available in the workforce. However, the numbers just don't support this hypothesis—the number of women and minorities in the workforce has been rising steadily since 1980; indeed, both groups have been in the workforce long enough to have been groomed for ascension to higher ranks. This research will identify key considerations for developing women and minorities as well as possible ways for building more inclusive mindsets.

Keywords

Human Resources, HR, people of color, retain, women, diversity, inclusion, gender, pipeline, recruitment, mentoring, diversity task force, minority, diversity training, bias, backlash, transparency, sponsorship, ethnic diversity, recruitment, diversity talent

Comments

Suggested Citation

Required Publisher Statement

EXECUTIVE SUMMARY

RESEARCH QUESTION

What are companies doing to retain as well as develop people of color and women?

INTRODUCTION

Despite their best efforts, many corporations are unsuccessful in their attempts to create more inclusive environments that allow for progression and growth of women and minorities. More than 75% of CEOs include gender equality in their top ten business priorities, but gender outcomes across the largest companies are not changing.[1] People of color represent 18% of directors and women of color represent only 4% of directors.[2]

Many leaders would theorize that this is a "pipeline" issue in that fewer qualified women and minorities are available in the workforce. However, the numbers just don't support this hypothesis—the number of women and minorities in the workforce has been rising steadily since 1980; indeed, both groups have been in the workforce long enough to have been groomed for ascension to higher ranks.[3] This research will identify key considerations for developing women and minorities as well as possible ways for building more inclusive mindsets.

KEY CONSIDERATIONS

Intersectionality- the notion that social identities such as race, gender, sexuality, class, marital status, and age overlap and intersect in dynamic ways that shape each individual. In other words, all of us possess more than one social identity. Organizations must fundamentally change, reject old models of diversity, and focus instead on the multiplicity of employee experiences and identities. This requires leaders to recognize their own biases and learn how to engage the multidimensional employee.[3]

Shift Competencies of Leaders- In order to respond to the changes mentioned with intersectionality, organizations must drastically shift the way their leaders understand their employees' lives and experiences by becoming more emotionally mature, empathetic and self-regulated. That last ability is very important for controlling or redirecting disruptive impulses and moods—having the propensity to suspend judgment.[3]

Actions with Positive Returns:
- *Targeted College Recruitment*- Five years after a company implements a college recruitment program targeting female employees, the share of women in its management rises by about 10%. A program focused on minority recruitment increases the proportion of black male managers by 8% and black female managers by 9%.
- *Mentoring*- Mentoring programs boost the management representation of Black, Hispanic, and Asian-American women, and Hispanic and Asian-American men, by 9% to 24%.
- *Diversity Task Forces*- Diversity task forces see 9% to 30% increases in the representation of white women and of each minority group in management over the next 5 years. (Appendix A)

Actions with Negative Returns

- *(Mandatory) Diversity Training*- The positive effects of mandatory diversity training rarely last beyond a day or two. A number of studies suggest that it can activate bias or spark backlash. *Mandatory* trainings see a decrease in minorities in management roles. However, trainings that are *voluntary* show the opposite effect. To be effective, trainings cannot be viewed as remedial. [4] (Appendix B)

COMPANY PRACTICES

McKinsey & Co.: McKinsey invests in learning efforts that support networks for women and minorities. Leaders of these groups regularly report progress across the organization to help shape policies and practices as well as to educate in order to increase awareness of potential unconscious biases. Their "All In" initiative engages colleagues of all genders around the world to develop and share innovative ways of working to promote gender inclusivity. McKinsey maintains a high level of transparency, making public commitments to the United Nation's Women's Empowerment Principles and publishing information about their progress toward gender parity. *Sponsorship* is a practice that is gaining traction and has the potential to address key barriers that may limit the number of women accelerating into senior leadership ranks.[6] McKinsey has launched a firm-wide global sponsorship initiative to ensure that women and men are adequately and equally sponsored.[5]

J&J, Amgen, Merck, Abbott, and Medtronic: One way these companies are attracting and developing talent is by participating in the Scientist Mentoring & Diversity Program. This is a one-year mentoring program that pairs ethnically diverse students interested in STEM with mentors from the medical technology, biotechnology and consumer healthcare industries.[7] Many of these mentees are converted into full-time employees when they complete their education. Meanwhile, the current employees who serve as the mentors benefit from the program as it gives them an opportunity to develop their leadership skills and keeps them connected with the latest research coming out of academia.

CONCLUSION

While there is no panacea to address the dearth of women and people of color in the management ranks, there are proven, measurable actions organizations can take to better attract and develop these populations. The benefits to both the working environment and the bottom line are undeniable. Greater gender and ethnic diversity in corporate leadership translates into more profit.[8] By comprehending the multiple identities that people associate with, companies can better devise an inclusive environment that will attract women and minorities and allow them to thrive as their authentic selves. Focusing efforts on diversity programs with high ROI, like targeted college recruitment will allow a firm to attract and retain their target demographics. While devising new plans, it is important to consider the development of women and minorities through programs like sponsorship and mentoring. Lastly, leaders should be encouraged to become active participants in solving their diverse talent disparity problems as opposed to mandating that they attend trainings that are viewed as remedial.

REFERENCES

[1]McKinsey & Co. "Women in the Workplace 2016." *McKinsey & Company*, McKinsey & Company, Sept. 2016, www.mckinsey.com/business-functions/organization/our-insights/women-in-the-workplace-2016.

[2] "Menendez' Survey Highlights Corporate America's Diversity Problem." *Bob Mendez for New Jersey*, Bob Mendez, 2 June 2015, www.menendez.senate.gov/news-and-events/press/menendez-survey-highlights-corporate-americas-diversity-problem.

[3]Kelly, W. Sean, and Christie Smith. "What If the Road to Inclusion Were Really an Intersection?" *DU Press*, Deloitte, 11 Dec. 2014, dupress. https://dupress.deloitte.com/dup-us-en/topics/talent/multidimensional-diversity.html.

[4] Frank, Dobbin, and Kalev, Alexandra, et al. "Why Diversity Programs Fail." *Harvard Business Review*, HBR, 21 Sept. 2016, https://hbr.org/2016/07/why-diversity-programs-fail.

[5]McKinsey & Co. "Inclusion and Diversity." *McKinsey & Company*, McKinsey & Company, 2017. https://www.mckinsey.com/about-us/who-we-are/inclusion-and-diversity.

[6]Collins, Chris. "CAHRS Working Group: Building the Pipeline of Senior Women Leaders." *Center for Advanced Human Resource Studies*, CAHRS, 27 June 2017, est05.esalestrack.com/eSalesTrack/Content/Content.ashx?file=77532ab8-ec26-4cdb-a151-45b0d687e394.pdf+.

[7] http://smdp.icpdprograms.org/

[8]Hunt, Vivian, et al. "Why Diversity Matters." *McKinsey & Company*, McKinsey & Company, Jan. 2015, www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters.

SUGGESTED ADDITIONAL READING

Dong, Trong. "10 Eye-Opening Tactics to Successful Diversity Recruiting." *Rakuna.co*, Rakuna, 8 Oct. 2015, https://www.rakuna.co/blog/posts/10-eye-opening-tactics-to-successful-diversity-recruiting.

Gauss, James. "Closing the Gap in Healthcare Leadership Diversity: A Witt/Kieffer Study." *Witt/Kieffer Leaders Connecting Leaders*, 2015, pp. 1–17., wittkieffer.com/file/pdfs/Closing%20the%20Gap%20in%20Healthcare%20Leadership%20Diversity%20Final(1).pdf.

Howell, Kevin. "Can Mentoring Programs Improve the Diversity Pipeline?" *Dice*, Dice, 22 June 2017, https://iinsights.dice.com/2017/06/22/mentoring-programs-improve-diversity-pipeline/.

LeanIn.org, and McKinsey&Co. "Getting to Gender Equality Starts with Realizing How Far We Have to Go." *Women in the Workplace 2017*, Lean In and McKinsey and Co., 2017, https://womenintheworkplace.com/.

Osborn, Katy. "What Corporate Boards Really Think About Diversity." *Money*, Time Inc., 6 Oct. 2015, https://time.com/money/4061669/corporate-boards-diversity/.

Waller, Nikki, and Joann S. Lublin. "What's Holding Women Back in the Workplace?" *The Wall Street Journal*, Dow Jones & Company, 30 Sept. 2015, https://www.wsj.com/articles/whats-holding-women-back-in-the-workplace-1443600242?mg=prod%2Faccounts-wsj.

APPENDIX A

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Voluntary training			+13.3		+9.1		+9.3	+12.6
Self-managed teams	−2.8	+5.6	+3.4	+3.9				+3.6
Cross-training	−1.4	+3.0	+2.7	+3.0	−3.9		+6.5	+4.1
College recruitment: women*	−2.0	+10.2	+7.9	+8.7		+10.0	+18.3	+8.6
College recruitment: minorities**			+7.7	+8.9				
Mentoring				+18.0	+9.1	+23.7	+18.0	+24.0
Diversity task forces	−3.3	+11.6	+8.7	+22.7	+12.0	+16.2	+30.2	+24.2
Diversity managers		+7.5	+17.0	+11.1		+18.2	+10.9	+13.6

*College recruitment targeting women turns recruiting managers into diversity champions, so it also helps boost the numbers for black and Asian-American men.

**College recruitment targeting minorities often focuses on historically black schools, which lifts the numbers of African-American men and women.

NOTE GRAY INDICATES NO STATISTICAL CERTAINTY OF A PROGRAM'S EFFECT.
SOURCE AUTHORS' STUDY OF 829 MIDSIZE AND LARGE U.S. FIRMS. THE ANALYSIS ISOLATED THE EFFECTS OF DIVERSITY PROGRAMS FROM EVERYTHING ELSE GOING ON IN THE COMPANIES AND IN THE ECONOMY.
FROM "WHY DIVERSITY PROGRAMS FAIL," BY FRANK DOBBIN AND ALEXANDRA KALEV, JULY–AUGUST 2016   © HBR.ORG

APPENDIX B

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Mandatory diversity training				−9.2			−4.5	−5.4
Job tests		−3.8	−10.2	−9.1	−6.7	−8.8		−9.3
Grievance systems		−2.7	−7.3	−4.8		−4.7	−11.3	−4.1