CURRENT DIVERSITY AND INCLUSION TRENDS IN THE WORKPLACE

Talent Intelligence
Leadership Risk Management

EXECUTIVE SUMMARY

Abstract: In today's global market, organizations are utilizing different approaches to fully embrace and support workplace diversity and inclusion initiatives.

Changes that have impacted the global workforce in recent years — including generational turnover, the rise of key emerging markets and expansion, and an increased emphasis on addressing diversity issues in the workplace — have inspired some organizations to re-examine, retool and ultimately refine their current diversity and inclusion programs.

A strong diversity and inclusion program can provide a number of advantages, including helping an organization recruit, develop and retain key talent. As business leaders around the world seek to develop a more collaborative, unified work environment to drive growth, diversity will likely become a larger priority. Find out what moves some organizations have made to fully embrace workplace diversity initiatives — and how your organization can adopt and utilize a similar approach.

WORKPLACE DIVERSITY AND INCLUSION TACTICS

In addition to a more supportive, inclusive work environment, diversity recruitment and retention programs can provide financial and other benefits.

A study, published in the April 2009 issue of the American Sociological Review, found that workplace diversity is actually one of the key predictors of sales revenue and profitability. Compared to companies with low racial diversity levels, organizations with the highest diversity levels saw nearly 15 times more sales revenue. Gender diversity efforts also provided a surprising pay-off, accounting for an additional $599 million, on average, in sales revenue.

International research organization Catalyst released similar findings a few years before, in 2004. According to the not-for-profit membership organization, companies with a higher representation of women in senior management positions financially outperformed organizations with fewer top female executives.

There's no question incorporating diversity retention and recruitment practices into your company's hiring and management efforts can be a good idea — one reason it's not surprising 65 percent of companies with revenues of at least $500 million that participated in a 2011 Forbes Insight study had programs in place to recruit diverse employees.

How you add and maintain diversity programs, however, can have a huge impact on their overall effectiveness.

To ensure their diversity and inclusion programs help meet predetermined goals, organizations are employing a number of techniques — including:

- **Creating diversity talent pipelines and diversity-centric workplace relationships:** Some organizations are paying increased attention to creating talent pipelines and utilizing them to help the organization reach and recruit diversity hires.

  American Express, for example, created the Pride Network, consisting of more than a dozen employee diversity initiative networks at the company. Through its Pride Network, AmEx, which was named both a 2015 British LGBT Award nominee and one of U.K. gay equality organization Stonewall's 2015 top 100 employers, has led a number of community diversity initiatives.

  AmEx's diversity efforts include a mentoring program with LGBT students from Brighton Business School and a role model program that involves network members visiting local U.K. schools to talk about working for American Express.

  3G, 4G and next-generation wireless technology provider Qualcomm has also undertaken a number of efforts to recruit and retain talent, as well as working to inspire future workforce members to pursue a career in the STEM field.

  The company maintains a close relationship with minority engineering programs on college campuses, relying on them for candidate referrals and creating programming activities for their students. Qualcomm provides tuition and room and board for select graduate students to attend a summer internship program that provides practical experience, with financial help from the National GEM Consortium.

  The company also sponsors a Diversity Engineering Campus Alignment (DECA) conference and recently added another conference, the Qualcomm Women's Collegiate Conference (QWCC), to encourage and support women and minority college students to pursue engineering and computer science careers.

  According to the not-for-profit World Economic Forum, headquartered in Geneva, Switzerland, worldwide gender equality gains since 2006 have been offset by reversals in a small number of countries — and gender parity in the workplace won't happen until 2095 at the existing rate of improvement.

  Some organizations, however, are making strides to close the gender gap sooner — through internal programs and efforts that address the companies they work with.

  Qualcomm, for example, says it is "addressing gaps in our talent pipeline so that we can increase the number of female employees as well as the number of women in leadership positions companywide."

The organization's efforts include two employee networks designed, through mentoring and other efforts, to promote the personal and professional growth of women in technology at Qualcomm and in the community through outreach programs to promote career opportunities to young women. One group consists of more than 1,600 employees in Brazil, Canada, Europe, India, Singapore and the United States.

Similarly, integrated energy company Chevron sponsors a [Supplier Diversity/Small Business Program](#). In addition to employing a global workforce of approximately 64,500, Chevron works with small, minority- and women-owned businesses to help cultivate inventive, cost-effective methods of supplying goods and services.

The program is a win for both Chevron and its participants — promoting, as Chevron says, "an inclusive business environment for the benefit of the company and our suppliers."

- **Including generational concerns in diversity efforts:** In a number of countries, workers who are approaching the typical retirement age are poised to radically change the workforce, depending on whether they decide to remain in it or leave it.

In several countries, large amounts of workers are approaching their late fifties and sixties — an age where they'd typically be preparing for retirement. However, due to several key factors, a significant amount of employees in the U.S., Europe and other nations may not actually stop working when they reach the traditional retirement age.

The delayed retirement trend has already become apparent in some areas of the world. In Europe, between 2000 and 2010, the percentage of over-55 workers rose in all 27 EU countries, except Portugal and Romania, according to Eurostat.

Recent research from the nonprofit [Transamerica Center for Retirement Studies](#) found that roughly 65 percent of baby boomers also plan to work past age 65 in the U.S.

If the majority of workers don't leave the workforce in their sixties, or a comparable age, organizations may need to revise their succession plans; find new ways to prevent knowledge gaps from occurring if new workers need to be trained quickly; and find new ways to ensure a workforce comprised of several generations is as engaged and productive as possible.

To prepare, some organizations are instituting efforts to evaluate employee sentiment; examine future staffing needs and create incentive programs that will encourage experienced workers to stay.

Their specific efforts range from surveying employees, either as a group or individually, to assess when they plan to retire, so the organization can revise its succession plan, to launching new initiatives to keep various generations engaged.

Automaker BMW, for example, had adopted an all-inclusive approach to generational diversity in the workplace, including personalized retirement models and targeting older, unemployed candidates to provide a multi-age structure at a new production plant, according to [AARP International](#).

AARP also gave Germany's federal employment agency, Bundesagentur für Arbeit, high marks for its flexible work arrangements policy, which can be helpful for older workers shifting into retirement or caring for a loved one.

Similarly, tire manufacturer [Michelin](#) has instituted a mentoring program to ensure knowledge is shared between generations and rehires retirees to manage projects.

Companies are also working to incorporate and address the needs of younger generations.

Just over a year ago, [Psychology Today](#) predicted that roughly 75 percent of the world's employees will be millennials by the end of this year. With more millennials in the workforce, along with older workers, companies are finding they need to discover ways to incorporate up to five generations of workers, according to [SHRM](#).

As a result, some companies, such as [Sodexo](#), a leading French integrated facilities management services company in Canada, the U.S. and Mexico, have launched strategies to attract and retain several generations of workers through an increased emphasis on alternative work arrangements — designed to emphasize flexibility and meet the needs of all major employee groups.

Technology can be a key tool in providing millennials with the flexibility they desire. Because millennial employees, from childhood on, in many cases, began using mobile devices, computers and other tech items to perform tasks quickly — sometimes moving seamlessly between several devices a day, according to the International Association of Business Communications — workplaces need to provide and utilize technology options to communicate and perform work remotely.

Retention is particularly important in regard to the millennial age group. With 60% of millennials leaving their companies within three years, the cost of replacement can range from $15,000 to $25,000 per individual once advertising, interviewing, on-boarding, and training & development are taken into account.

- **Publicly releasing information about your diversity stats:** A growing number of organizations are beginning to publicize their diversity and inclusion efforts to share their success and create an atmosphere of transparency.

Eighty percent of the companies that participated in Diversity Best Practices' recent assessment, for example, said they've published their diversity statement in corporate materials and on their website.

Other approaches include adding diversity success information to PR materials and tracking and publishing their diversity numbers.

In recent years, several major corporations have embraced the diversity stat-sharing trend. Yahoo, LinkedIn and Google, for example, have all released data on the number of women each company employs — according to U.S. News & World Report, 37, 39 and 30 percent, respectively.

Publicizing your diversity and inclusion successes isn't just about singing your praises, or expressing efforts your organization is proud of; it can also have an extremely positive effect on recruitment and retention.

In a recent survey from Glassdoor, a career community site with 27 million members from 190 countries, two-thirds of respondents said they viewed diversity as an important factor when assessing job offers.

The promotion of diversity and inclusion efforts can also have a positive internal effect at an organization — particularly if you haven't done much to make employees aware of your programs. Glassdoor's 2014 workplace diversity survey found that just a third of respondents even knew their company had a diversity initiative.

CONCLUSION

As the global workforce continues to transform in response to recent economic and other changes, companies will need to be ready to respond with talent pipelining and other programs that address and encourage diversity and inclusion needs.

Many organizations have already reacted by working to strengthen their current diversity initiatives — or launch new, highly specialized programs. The innovative efforts from recent years include establishing mentoring and early recruitment programs at the collegiate level; establishing initiatives to partner with suppliers who support organizations' diversity goals and creating groups that support internal and external diversity goals.

In addition, many workforces are making strides to address generational diversity changes in the workplace, providing incentives for older, experienced workers to remain past retirement age and developing workday structures that accommodate both young and older workers' needs.

Organizations can also benefit from sharing their diversity successes. Promoting successful diversity and inclusion program work can help foster a sense of pride among workers internally and also help organizations promote themselves as a positive place to work to job candidates, potentially helping to recruit top talent in the field.

By carefully tracking, assessing, revising and, in some cases, sharing their diversity and inclusion efforts, companies can create and maintain diversity initiatives that truly enhance both their individual organization — and the workforce as a whole.

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