

So You Say You Support Diversity?

Submitted by EveTahmincioglu on Thu, 10/31/2019 - 07:56

A combination of a variety of actions provide a tailored diversity solution.

Informed leaders are no stranger to the fact that diversity is a key driver of financial performance, but why do so many diversity and inclusion initiatives fall short?

Corporate leaders see the culture around them rapidly adapting. Indeed, diverse clients and stakeholders use consumerism as a tool for activism to demand change. Social media has given individuals the ability to organize, removed fear of retaliation, and prompted increased transparency and accountability within organizations as stories are becoming public in ways they weren't before.

Boards may have discussed the costs to their organizations when an issue surfaces including legal fees, settlement amounts, decreased productivity and performance, increased turnover, lower morale, challenges in hiring, and reputation. After all, toxic workplace cultures and poor performance go hand-in-hand.

So how do things change?

Starting with the recruiting process, directors may want to make sure recruiters are taking bold steps. The first questions they should be considering are

- whether you've ensured your job descriptions aren't biased (e.g. exclude words like "rockstar" and "ninja"),
- whether you should be holding "blind auditions" (e.g. excluding names from resume screening processes),
- and whether to require a diverse slate of candidates *and interviewers* in your process.

Next steps can be to create formal sponsorship/mentorship programs, include bystander training in any diversity/unconscious bias training, include all groups (i.e. yes white men!) in diversity initiatives, and ensure performance reviews are without bias (e.g. focus on constructive criticism, not personality descriptions like "aggressive" or "bossy").

It may also be a great time to revise existing policies (e.g. gender neutral paid parental leave, flexible work schedules, “returnships” for men and women who have taken time off, and end NDAs and forced arbitration) which may have not been updated in a while. Companies can also restate codes of conduct and company values so employees know where their leaders stand, and reiterate reporting mechanisms and investigative procedures too.

A diversity and inclusion executive can report on and spearhead progress. These individuals can help create incentives for hiring, training, promoting, and retaining diverse employees. They can also highlight existing diversity within your organization and make sure that you always have access to feedback from diverse sources within your organization.

If you’re thinking bolder, you could also conduct a wage gap audit/pay analyses, and – like [Citigroup](#) – disclose the data and diversity representation numbers on a global level. Also consider demonstrating a pipeline of potential diverse successors to you - like [JPMorgan’s naming of Jennifer Piepszak as CFO, Marianne Lake as Consumer Lending Head and Mary Erdoes as the head of the firm’s asset management division](#). Other companies like [Intel have also offered referral bonuses for diverse employees](#).

But what if you want to outpace your peers as one of the “the best” places to work with the best financial performance? You’ve likely seen the news: [KKR announced plans to have at least two women on the board of every portfolio company](#); and moves by [Uber](#) and [TPG Capital](#)’s portfolio company boards tying diversity targets to senior leadership compensation as well as other companies like Microsoft, Intel, Johnson & Johnson and Facebook formally incorporate [diversity goals](#) into executive compensation programs.

It’s time to put your money where your mouth is. Various leaders have established efforts to invest in diverse businesses like [Fidelity’s Women’s Leadership Fund](#), [Bank of America’s \\$100 million pledge to the Tory Burch Capital Program for women entrepreneurs](#), [Constellation Brands’ - maker of Corona and Svedka - \\$100 million investment in female-founded alcoholic beverage companies](#), [Goldman's “Launch With GS” program to invest \\$500 million in firms run by women](#), and Andreessen Horowitz’s [Cultural Leadership Fund](#).

If you don’t have \$100 million or so at your disposal, partnerships with external organizations are also an option for you.

Check out [Apple's partnership with Malala Yousafzai to fund 100,000 girls' education](#), [BlackRock's partnership with Girls Who Code](#), [Google's partnership with Founder Gym to support underrepresented founders](#), [TPG Capital's investment and support of Harlem Capital](#), and [KKR's partnership With Harlem Capital to refer women and minority applicants to their firm](#). Or, you could create an internal accelerator to fund and grow diverse businesses like [HearstLab](#) for early stage women-led startups, [Morgan Stanley's Multicultural Innovation Lab](#) for early stage technology startups led by women and multicultural entrepreneurs, and [SAP's SAP.io Foundry for women-led technology companies](#) and/or launch a competition or program to provide funding and support to diverse companies like [Microsoft's M12 \\$4M Female Founders competition](#), [Apple's Entrepreneur Camp for female entrepreneurs](#), [The Women Startup Challenge at Google](#), and [Visa's Everywhere Initiative](#).

These firms know that it's not only about doing good. Their initiatives help them yield new insights and investment opportunities, access new talent and product pipelines, improve their reputations among growing businesses, and serve as an innovation hub for their companies and executives.

In the end, when bias exists, there can be no meritocracy. And while not all employees may experience harassment or other forms of discrimination – it doesn't mean that it does not exist.

Corporate leaders have to have the courage to push the above initiatives forward because they know – if your company is not diverse – it is looking backwards towards the past and not towards the future.

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