



Inclusion-Driven HR

By Alex Daly, Tara Sconzo, and Laura Rodney

How to center diversity and inclusion within the employee experience.

In the Fall 2019 *Jabian Journal* article “The Economics of Inclusion,” the authors explored the business rationale for focusing on diversity and inclusion (D&I) efforts within an organization. Now countless studies illustrate the connection between increased organizational diversity and workplace inclusion with an improved employee experience, higher levels of innovation, and stronger financial performance. To reference but one example, the Harvard Business Review found that organizations with above average total diversity had 19 percent higher innovation revenues and nine percent higher margins.¹

If we accept the desired end state of fostering a more diverse and inclusive workplace, what can a proactive organization do to get there? No single person or function can be solely accountable for building an inclusive culture, as it must be embedded throughout the entire organization, but we will focus this article on the critical role that HR functions play in establishing diversity-centered programs and practices that can lead to greater overall inclusion. HR teams have a unique ability to influence an inclusive employee experience through their strategic approaches to talent acquisition, learning and development, performance management and career progression, and total rewards programs. Instead of looking at diversity metrics as an output, HR functions should shift their thinking to center D&I in the creation and implementation of every HR program across the employee experience, all powered by robust HR analytics and accountability.



Look within before addressing the pipeline

While talent acquisition is a driver of organizational diversity, it is merely a reflection of the existing company culture. Before overhauling your strategy to recruit diverse candidates or demonstrate an inclusive culture, it is important to take an honest look at your organization’s culture.² Don’t just read your branding statements, mission, vision, and published core values; take stock of what is embraced, recognized, and rewarded in your organization. Figure out where diversity fits into your culture to ensure that inclusive principles are then embedded throughout your talent programs.

After you understand your culture, engage your talent acquisition team. Ensure that they understand and commit to driving diversity and

inclusion goals in recruiting. Talent acquisition is the front door of the employee experience. Every job posting, campaign, advertisement, message, email, conversation, and interview communicates something about what the organization values. Each interaction sends a message about your organization’s culture, and every offer sends a message about who belongs.

That’s why it is so important that your talent acquisition team understand that they are expected to champion diversity, embody inclusion, and actively work to overcome bias. Candidate sourcing and selection are critical, not only to ensure that candidates meet company needs, but also to ensure that the company is delivering on its brand and promises to employees and customers from the start.



HR teams have a unique ability to influence an inclusive employee experience through their strategic approaches to talent acquisition, learning and development, performance management and career progression, and total rewards programs.

Strategic sourcing is key to reach diverse audiences

Talent acquisition teams employ elaborate strategies to understand where and how to engage diverse talent. From professional networks and the conference circuit to the development of university pipelines, talent teams develop systems to identify and reach candidates. As these networks have grown and matured, talent acquisition technology has evolved to become a significant part of the way candidates are sourced. Initially, most talent management tools were stand-alone tools that filtered for key words and phrases to match candidates with job descriptions.³ Over the last five years, those tools have become advanced platforms that leverage artificial intelligence (AI) and machine learning to expand the reach and yield of traditional sourcing.

Emerging talent management technologies are focused on providing organizations with access to a larger and more diverse candidate pool. From Head Start and Fairygodboss to IBM and LinkedIn, these sourcing technologies increase access to diverse talent pools and professional networks, increase search capabilities, and attempt to identify biases in job descriptions.⁴ While these tools have yielded some positive results, they have also proven to be influenced by the attitudes and behaviors of their creators. It is important to recognize that whenever people are involved, their biases can impact even the most well-intentioned technologies.

Selection says as much about your organization as it does about the candidate

As with sourcing, candidate selection also requires a strategic approach and the right messaging. If diversity and inclusion are to have a systemic impact, there needs to be careful attention to the way in which candidates are selected, not just who is selected. In fact, a Harvard study recently found that companies are more than twice as likely to call minority applicants for interviews if the applicants submit resumes that remove any reference to race. Unfortunately, the practice was just as common for organizations that claimed to value diversity as those that didn't. That kind of bias sends a strong message about what it means to be part of an organization and as a result has encouraged candidates to "whiten" their resumes to increase their chances of getting an interview.⁵ Research shows that some of the most effective strategies remove bias in selection by removing personally identifiable information (PII) from the equation and rethinking the way that candidates are evaluated.⁶ Again, new technologies lend a helping hand by facilitating blind screenings, surveys, and skill-based assessments.

Vendors such as Eightfold, Applied, and Ideal remove names, gender, education, pictures, and other information that may be used to identify a candidate from applications, resumes, and profiles in an effort to make the candidates anonymous. Other solutions assess candidate performance

on assessments such as GapJumpers and HireVue. More advanced solutions offered by Mya and XOR leverage chatbots to engage, screen, and even interview candidates.

But relying too heavily on technology to aid in selection may introduce a host of other problems. Technology can certainly be part of a robust solution, but AI and algorithms themselves are not neutral, because they are programmed and trained by humans with innate biases. Your selection processes must be evaluated to ensure that you are fairly assessing all qualified candidates and not eliminating candidates based on factors that are irrelevant to what you need in an employee.

Evaluate candidate "fit" based on values

Even with defined, documented processes and the support of technology, talent acquisition requires an understanding of how people work together. You are not simply hiring individual contributors but need employees to lead, follow, and become part of a cohesive team where each individual is recognized for their unique background. Hiring for a cultural fit shouldn't undermine diversity. If your hiring decisions come down to the issue of "fit," however, it may be time to realign your expectations and redefine what it means to "fit" in your organizational culture.

Fit is often misunderstood as similarity with the existing team. That misconception comes from the idea that people work best with others who are like them. Ideally, an inclusive way to determine fit is through an alignment in values, not whether a candidate matches a particular profile or shares

certain characteristics. You want to see that the candidate's values align with the values that are important to the organization, but you also want to see that the organization's values align with those that are important to the candidate while allowing for flexibility in the candidate profile.⁶ While it may be challenging to define at the outset, having a solid understanding of your organization's culture and values is essential to attracting, recruiting, and ultimately hiring a diverse team into an inclusive culture.



Leverage learning and development programs to support your diverse workforce

As talent is identified and brought into your organization, it is important to invest in the growth and development of that talent over time. Starting with top leadership, effective HR teams can identify gaps and address needs for development that then trickle down through the roots of an organization. When analyzing leadership under the umbrella of diversity and inclusion, we often find there are gaps between leadership's perception of itself versus how they are perceived throughout their organization. This "perception gap" is evidenced by 98 percent of leadership believing their employees feel included when only 80 percent are reported as such.⁷

It's critical for employees to feel included within the broader organization and culture so that they remain engaged and committed to their role and the larger mission. Yet if leadership doesn't recognize a gap in perceived inclusion, then they have no way to address it. HR has a responsibility to educate and expose leadership to their own intrinsic biases in order to close the perception gap and support creation of a more understanding culture.

HR and leadership collectively can work to build teams that support and celebrate the differences among employees, recognizing that differences are an asset to an organization, not a hindrance. This requires buy-in from HR through developing and administering leadership trainings and education, but also from leadership itself to support and embrace the growth and mentorship of a diverse employee base as central to their organization.

For those advancing toward leadership within an organization, it is important to connect with and relate to both leadership and colleagues. What happens when employees are unable to see themselves reflected in leadership or roles above their own? How does this affect career progression and development prospects? Unfortunately, middle and upper management continue to experience barriers of race and gender when working to progress in their careers.

While racial and ethnic minorities are expected to make up 50 percent of the U.S. population by 2050, only

11 percent of board seats and only four CEOs (less than one percent) of Fortune 500 companies are held by African Americans.⁸ Though women constitute over 58 percent of today's workforce in America, only six percent of CEOs of Fortune 500 companies are women.⁹

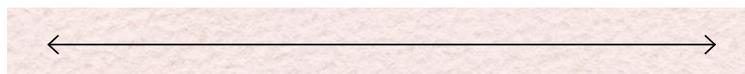
This underrepresentation of diverse peoples and genders in corporate leadership roles increases the value and importance of mentorship. HR's implementation of targeted mentorship programs for diverse employee groups can help to overcome these barriers of race and gender, whether or not mentors share the same background as their mentees. The investment of time and energy to mentor, connect with, and understand diverse employees enables HR and leadership to create inclusive and uplifting cultures that can break down these historical barriers over time.

Investment in both leadership development and training to understand biases and the value of enlisting a diverse workforce, as well as employee development and mentoring to recognize that a path to management and leadership is possible, inspires a sense of belonging across a workforce, in turn increasing employee engagement.

HR's strategic investment in these areas and commitment to diversity will help to provide a holistic approach to inclusion within a company, as opposed to the implementation of one-off D&I initiatives, like a mandatory training course that may not have the desired impact when delivered solo.

98%

of leadership believe their employees feel included.



DIVERSITY AND INCLUSION PERCEPTION GAP

80%

of employees actually report feeling included.

SOURCE: <https://www.businessinsider.com/accenture-report-perception-gap-shows-economic-cost-lack-of-diversity-inclusion>



Translate your inclusive values into performance management and career progression

As employees learn and grow within an organization, HR has a critical role in ensuring that their performance is fairly assessed and that equal opportunities for career progression are afforded to employees regardless of their diverse backgrounds. With performance management, developing unbiased comprehensive reviews can be complex but incredibly beneficial. In addition, following an employee across their entire career—from onboarding through retention to offboarding and transition out of an organization—helps to engrain a culture of investment in employees' well-being professionally and personally.

For HR, performance management can be a complicated process because it can be difficult to truly gauge an employee's performance without bias. Biases naturally lead us to unconscious judgments about a person, putting a heavy emphasis on the assignment of the rater, rather than basing the review solely on the true performance of the ratee.

According to the Society of Human Resource Management, "Corporate Executive Board research has found that more than nine in ten managers are dissatisfied with how their companies conduct annual performance reviews, and almost nine in ten HR leaders say the process doesn't yield accurate information."¹⁰ To overcome these influences, HR must focus not only on educating and informing leadership and those performing reviews of their own biases (to recognize and resist them), but also on working to include a variety of inputs and opinions to provide a comprehensive assessment of employee performance. Beyond diversifying inputs, HR can

also implement methods to reduce purely qualitative ratings and support quantitative or metrics-based reviews.

No perfect performance review method exists. But working to reduce biases, creating understanding across an organization, and continuously improving performance review methods will enhance HR's ability to provide quality employee ratings and enable their development.

Employee progression reflects the employee journey from recruiting through advancement, offboarding, and outward transition. HR can influence employees' inclusion across their career progression by a variety of methods, including nontraditional career pathing, succession planning that emphasizes a diverse talent pipeline, and targeted alumni engagement. Employees should have visibility into their potential career development paths, along with a clear understanding of the expectations for progression. At the same time, it's critical that the potential career path is not a one-size-fits-all model built on outdated assumptions but accounts for the variety of backgrounds, passions, and work-life needs of a diverse workforce. An example of this type of D&I-enabled career progression is chemical company BASF, which "employs a talent dashboard that allows leaders to gauge D&I progress by asking comprehensive questions about their thoughts on the hiring process and retention trends. This ensures that multiple voices are heard and encourages employees to voice their opinions."¹¹ As employees progress and move up in their careers, succession planning plays a key role in future-proofing the organization and building a talent pipeline for key roles. HR teams should be proactive in overseeing a robust approach that overcomes favoritism and bias.



Understand the ways inclusion is reflected across your employee value proposition

Your employee value proposition (EVP) is the experience and complete set of benefits an employee can expect in exchange for working for your organization. EVP isn't just about the concrete value derived from compensation, health insurance, and retirement plans but also includes other intangible factors that contribute to employee satisfaction, such as work-life balance, well-being, and recognition. Most of what a company offers employees is spelled out in policies, offer letters, and benefits packages. Yet the meaning and sense of belonging that come with working for a specific organization are associated with an organization's employment brand. Your employment brand communicates to the world not just the benefit or prestige associated with your organization, it demonstrates how your organization rewards, recognizes, and motivates employees. It communicates your reputation as an inclusive, welcoming employer to potential employees and customers. Research shows that companies with the strongest employment brands show decreased costs per hire and grow faster than their competitors.¹²

A strong employee value proposition provides a distinct advantage in attracting, retaining, and developing talent. However, an inclusive EVP that takes into account the needs of a diverse talent pool is even more appealing to current and perspective employees. Why? Because an inclusive EVP communicates that a broad range of experiences and perspectives are welcome at your organization. So, how do we leverage D&I to shape the EVP?

Map it out.

Assess the current state of your EVP. What do you offer employees in terms of compensation, benefits, and the overall employee experience?

Survey current employees.

Survey your employees to understand overall employee satisfaction. Ask employees to identify and rank the most valuable benefits. Figure out where your company does well and take notes on opportunities to improve. Ask employees to share their preferred method of recognition and reward.¹³

Compare and contrast.

See how closely what you've documented matches your employees' perceptions. Mind the gaps, particularly when comparing results between different employee population groups. Explore employee suggestions to improve or strengthen your EVP.

Think beyond race and gender.

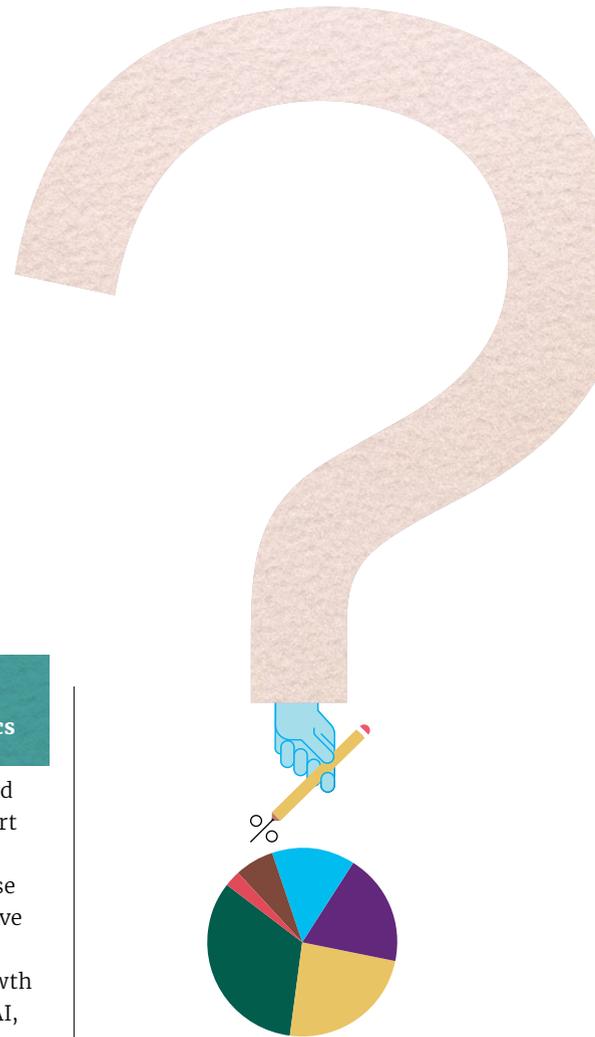
Be careful not to center any culture or perceived norm when building benefits packages and policies.¹⁴ Consider the needs of same-sex couples when it comes to determining health insurance coverage. Remember that both parents may want to take time off when a new child joins the family. Provide options for caretakers who aren't parents. Understand that your employees may need special assistance or innovative policies to support mobility challenges, hearing loss, impaired vision, or gender transition.

Developing an inclusive EVP that serves a multifaceted, multigenerational workforce begins with understanding the lifestyles and motivations of your employees. The options you present will be crucial for some and provide an all-around better experience for all. An inclusive EVP also brands your organization as a thoughtful employer of choice that values a diverse array of employee needs and experiences.

Build accountability for D&I efforts through robust analytics

We believe that HR analytics should be seen as the foundation to support and reinforce all of the HR function's efforts to build a more diverse workforce and maintain an inclusive organization. With today's HR technology platforms and the growth of cloud computing software and AI, the HR function now has access to more data and analytical capability than ever. In fact, in some cases, HR functions may need to develop their own internal capability to effectively harness this analytical power to support their talent programs and drive effective business outcomes. When properly deployed, HR analytics should provide an organizationwide view on diversity, inclusion, and talent outcomes, instead of relying solely on anecdotal or qualitative information.

These efforts should not just be about setting quotas or meeting compliance targets. They should establish the strategic questions that HR analytics can help answer in support of D&I and overall talent success. Once we know the answers to these questions, we can begin designing targeted interventions to address the identified problem areas. The most effective companies focus on predictive analytics as well as understanding current and past trends. Some common starting points include:



- Where do we have diversity gaps within the organization today?
- Is diverse talent being left out of or held back from our recruitment processes?
- Are there gaps in our compensation equity? Are these driven by hiring decisions or created through PM/development and advancement decisions?
- Which employees and candidates are most likely to feel alignment with our company culture and high levels of engagement?
- Which employee groups are a retention risk?

These are complex questions that likely require a mix of qualitative and quantitative data, obtained from a variety of sources, in order to address them effectively.

To begin effectively using HR analytics in support of D&I initiatives, we recommend:

1.
Define Priority Metrics

Determine which priority areas the organization wants to measure or track, building on strategic talent questions like those listed above.

2.
Identify Data Sources

Identify the necessary data sources to provide the metrics you want and determine where gaps exist and how they might be filled.

3.
Assess System Capability

Assess the functionality of your existing HRMS to meet data collection and analysis needs, accounting for legal restrictions and the use of self-identification, and consider utilizing targeted D&I-focused technologies. In recent years, D&I-focused HR technology solutions have exploded to help understand and address systematic gaps in diversity and inclusion within organizations, with a particular focus on talent acquisition. There's even a significant market today for dedicated D&I monitoring and analysis tools to support the HR function.⁴

MAKING THE MOST OF EMPLOYEE SURVEYS

Employee surveys can be an incredibly powerful source of information to support diversity and inclusion analytics. By collecting just a few (optional) demographic data points—e.g., gender, race, sexual orientation—a whole world of D&I findings can be opened up by cross-analyzing demographics with other responses. Questions about talent management and the employee experience can be viewed through a whole new lens, and key findings can be pulled out of seemingly simple questions. As just one example, the company Culture Amp developed a D&I Survey for organizations that included the statement “I can voice a contrary opinion without fear of negative consequences.” However, across their global benchmark, 78 percent of white men agreed with this statement versus only 56 percent of black women, highlighting a major gap in workplace belonging.¹⁵

4.
Leverage Employee Surveys

Design and leverage employee surveys to capture core demographic data (typically on an optional basis); ask targeted questions on diversity, inclusion, and belonging that may not be addressed in any other data source; and cross-analyze demographic data with responses on general talent management and employee experience.

5.
Establish Baselines and Targets

Establish current-state baselines aligned with each identified D&I priority area along with organizational targets. Where are the key areas in which to target desired improvements?

6.
Determine Reporting Levels

Determine the right breakout for D&I reporting and tracking below the organizational level (e.g., function, region, etc). These breakouts will play a key role in driving greater accountability in building a more inclusive organization.