

DSMUSA



DIVERSITY & INCLUSION STRATEGY TOOLKIT

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INTRODUCTION

Diversity and Inclusion will be a critical consideration and component of ongoing business strategy for both employers and the Greater Des Moines (DSM) community.

As more and more organizations are looking to either start a Diversity and Inclusion (D&I) initiative or ramp up their efforts, we want to offer this toolkit as a guide to help you in your journey. This strategy toolkit for employers, senior leaders, HR professionals and managers highlights several resources and best practices to ensure an inclusive work environment that promotes diversity in all aspects and covers:

- Business case for D&I.
- Initial considerations while designing your D&I strategy.
- Tips on how to get started.
- Measurement and continuous evaluation of the plan.



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THE BUSINESS CASE FOR D&I



While there are many reasons why organizations need to invest in D&I — including changing demographics, globalization and that it is the right thing to do — identifying a business case that is tied to the overall purpose and value of your organization will make it successful and long-lasting.

- By 2025, millennials are predicted to make up 75% of the workforce, and 44.2% of millennials identify as non-white. (Deloitte, Millennial survey, 2014)
- In 2015, McKinsey & Company published “Why Diversity Matters” in which it notes that “companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.”

Millennials are expected to make up **75%** of the workforce by 2025 and **44.2%** of millennials identify as non-white.

— Deloitte, Millennial Survey, 2014

BEFORE YOU CREATE YOUR D&I STRATEGY, MAKE SURE YOU:

- Take some time to audit your current mission, vision and values statement and examine if you need to incorporate D&I if it is not already included.
- Identify how investing in D&I will contribute to the bottom line of your business. Although most businesses and leaders are committed to doing the right thing, identifying a solid financial and business case will help you to get buy-in from investors, stakeholders, customers and employees. Examining the following question can guide you in that direction.
 - How can investing in D&I can either save money (e.g.: preventing lawsuits, reducing turnover) or bring additional revenues to the organization (e.g.: finding new markets)?

HERE ARE SOME ADDITIONAL BENEFITS OF INVESTING IN D&I:

- Attraction and retention of diverse talent.
- Increased employee engagement leading to reduced turnover (equals saving turnover costs).
- Increased profits by finding new markets.
- A new level of innovation and growth.

INITIAL CONSIDERATIONS

LEADERSHIP COMMITMENT

Leadership commitment is key and will help in getting buy-in from all managers and employees. D&I initiatives will be more successful when the leader fully believes in it and communicates it to the stakeholders as a priority.

IMPORTANT FUNCTION OF ORGANIZATION

D&I should be an important function of your organization just like marketing, finance, sales, etc. and led by a dedicated professional whenever possible to achieve the best results. Small and medium-size organizations that cannot afford to hire a full-time person can have their HR leader lead the initiative and leverage a committee/council to advance the initiative with the CEO/leader being very involved and leading it from the top.

FINANCIALLY VIABLE

All D&I initiatives should be financially viable. They should either save your organization money or bring in additional revenues.

EXAMPLES OF COST REDUCTIONS:

- Lower turnover rate through increased employee engagement.
- Reduced cost of absenteeism, disgruntled employees and sick leave.
- Reduced cost of harassment complaints and civil lawsuits.
- Additionally, engaged employees are more productive.

EXAMPLES OF INCREASED REVENUE:

- Improving sales by adapting products and services to new markets.
- Reaching new markets.
- Innovation leading to new products or services.



ANNUAL REVIEWS

Like all other plans, this plan should be reviewed annually to see what improvements should be made. Consider external factors, such as changes in business practices, markets and other changing external environments that need reflection and incorporate updates into the plan every year.

Have you considered what steps are needed to build out an annual review process with the goal of keeping this plan up-to-date within your organization?

GETTING STARTED

According to the Society of Human Resources Management (SHRM), developing a D&I initiative involves four main phases:

DATA COLLECTION AND ANALYSIS TO DETERMINE THE NEED FOR CHANGE

Companies already have a large amount of data on employees including age, gender, race and ethnicities. Look into your data deeply and go beyond the obvious race, gender and ethnicities. Be sure to look at all kinds of diversity such as personality type, thinking styles, life experiences and more. Slice and dice the data in every way possible. Check into which populations are not represented and what voices and perspectives are missing at all levels of the organization. This data analysis will lead you to your required interventions on recruiting, retention and market goals.

Data about employee engagement can be gained through an annual cultural survey to understand how employees feel about the workplace. This will give you an indication about what programs to offer to increase engagement and belonging in the workplace. Happier employees are productive, innovative and help reduce cost by reducing turnover.



STRATEGY DESIGN TO MATCH BUSINESS OBJECTIVES

Using the different sets of data, employee surveys and focus group discussions, you can identify some key areas that need improvement. Make sure you look at every aspect of your organization and see how you can weave in D&I.

Take time to lay a strong foundation by looking at your overall strategic plan and see how D&I may be woven into every aspect of the organization. Finding the business case for D&I and embedding it with the overall business strategy will make sure the plan is sustainable and receive buy-in from all stakeholders.

GUIDELINES FOR DEVELOPING A D&I STRATEGY

After identifying your business case on why you need to invest in D&I, developing a strategy document will help you to define how you are going to get there.

Look beyond race, gender and ethnicities in order to be inclusive of all kinds of diversity. For example, take a look at personality types, thinking styles, life experiences and more as well.

GETTING STARTED (CONTINUED)

MISSION AND VISION STATEMENTS

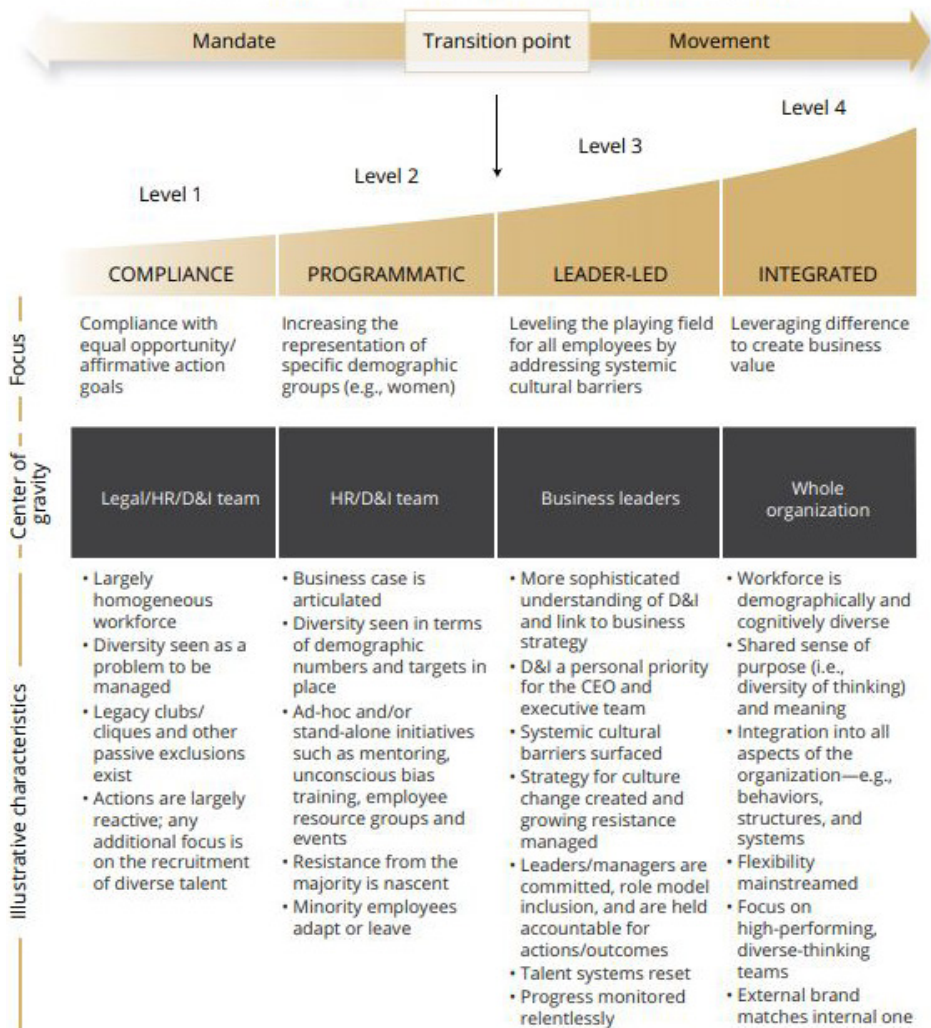
Every organization already has a mission and vision statement. If your organization doesn't already have Diversity and Inclusion reflected in the mission and vision and values statements, consider revisiting the statements to reflect your commitment to D&I. This will allow employees, stakeholders, investors, customers and potential employees know about your commitment to D&I along with the overall vision/mission of the organization. Alternatively, you can come up with a Diversity statement of your own, that is specific to your organization and why it is important to you or add Diversity and Inclusion as a core value.

COMPETITIVE ADVANTAGE

Research has proven that D&I in the 21st century is more than compliant; it drives innovation and growth and sets your business apart from your competitors.

Utilize the Diversity and Inclusion maturity model adapted from Deloitte (2014) and identify where your organization is.

Diversity and inclusion drives innovation and growth and sets your business apart from competitors.



GETTING STARTED (CONTINUED)



Use this section to identify how D&I can differentiate your business from competitors. This advantage can manifest in the form of increased market share, increased customers, increased sales, higher customer satisfaction or increased ability to attract and retain talent (leading to reduced turnover), among other things.

LONG-TERM STRATEGIC OBJECTIVES

Use this section to set some long-term goals. Again, align this goal planning with the type of goal planning and strategy development that already happens in your organization. If it is common in your workplace to state long-term objectives as five-year goals, then align to your organization's style so that your document will have more validity.

TIPS FOR DEVELOPING LONG-TERM STRATEGIC OBJECTIVES AND YOUR D&I STRATEGY:

- Align to your vision and business strategy.
- Focus on a limited number of priorities.
- Engage all levels of the organization with input from all stakeholders.
- Share across the organization to foster buy-in.
- Encourage integration in daily activities.
- Remember to set realistic and measurable goals.

Examples:

- In 10 years, become industry leader on influencing D&I best practices.
- In five years, outperform D&I industry benchmarks across dimensions (LGBTQ+, women in the workplace, visible minorities, people with disabilities, etc.).
- Attract and retain workforce that reflects the communities we serve.
- Establish mentoring and sponsorship programs.
- Increase employee engagement by X%.
- Increase retention/decrease voluntary turnover by X%.
- Increase representation of specific underrepresented groups at all levels of the organization by X%.

GETTING STARTED (CONTINUED)

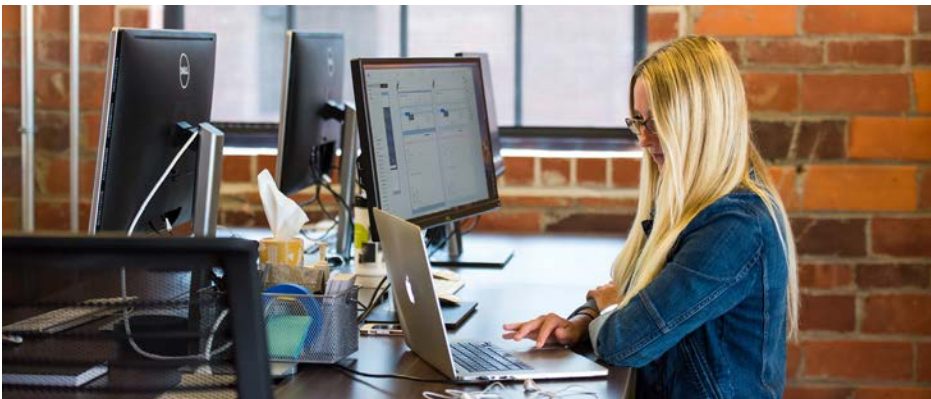
SHORT-TERM GOALS, PRIORITIES AND INITIATIVES

Setting short-term goals can help to articulate exactly what needs to be done to achieve the long-term strategic objectives. Short-term goals set specific, measurable performance targets and generally can be achieved within one or two years.

Remember to set SMART (specific, measurable, achievable, relevant, time bound) goals.

Examples:

- Communicate the D&I mission, vision and strategy internally and externally.
- Implement new measures to establish baseline and gather current state information.
- Establish a D&I council led by the CEO or a member of the C-Suite with representation from all divisions, departments and/or lines of business.
- Develop a Diversity Statement.
- Establish working committees to focus on specific areas.
- Develop partnerships with outside organizations to support D&I.



SET MEASURABLE GOALS

This is by far the most important step. Do not forget to establish measurable goals within your D&I plan. Everything done through the D&I plan should be tied to saving money (e.g., reduced turnover due to high employee engagement) for the organization or increased revenues (e.g., finding new markets).

Examples:

- Increase employee engagement by X%.
- Increase retention/decrease voluntary turnover by X%.
- Increase representation of (specific underrepresented groups) to X level(s) of the organization by X%.

Learning from training and education can be assessed with pre-and post-questionnaires about understanding attitudes towards various D&I topics. Assess how managers and employees applied the learning in their jobs.

Remember to set SMART (specific, measurable, achievable, relevant, time bound) goals in order to be most effective in laying out your organization's D&I plan.

All elements of the D&I plan should either be tied to saving money or increasing revenues for the organization.

GETTING STARTED (CONTINUED)

IMPLEMENTATION OF THE INITIATIVE

A well thought-out plan with short-term and long-term objectives as stated above should be:

- Clearly written and shared with the full team.
- Always have a multiprong approach covering important aspects:
 - Reviewing policies
 - Targeted recruiting
 - Community engagement plan
 - Board diversity
 - Philanthropic engagements
 - Make sure that you have set a D&I committee/council to help accomplish the tasks and fulfil the mission is also a good best practice. The D&I committee/council should be a diverse mix of individuals across different teams and levels of the organization.

EVALUATION AND CONTINUING AUDIT OF THE PLAN

The organization must set specific goals related to Diversity and Inclusion based on the company's strategic objectives.



GETTING STARTED (CONTINUED)

MEASUREMENT

Measurement should be considered for every short-term and long-term goal and action. Go beyond tracking just the number of participants in the training and think about measuring the impacts and outcomes of the training.

For example, instead of saying 55 people attended the training, figure out a way to answer, “What was the impact of the training?” Was there a change in understanding of the topic, attitude, perception or behaviors of the participants? If you can take this further, you can also keep track of how the individual was able to apply the learning from the training to their work.

- Did they hire a candidate from diverse background?
- Were they able to tap into an untapped market?
- Was programming for an entirely new group of people created?

It is very important to analyze both qualitative (stories and anecdotes) and quantitative data (hard numbers).

Here are some examples of internally focused measures:

- Employee demographics (gathered through self-identification survey).
- Recruitment, retention, advancement by demographic.
- Engagement by demographics.
- Tracking of D&I training for managers and employees.
- Impact of D&I training on attitudes and behavior change.
- Measures of cultural competence for leaders and/or employees.

Examples of externally focused measures:

- Demographics of customers, clients and service users.
- Retention rates of customers.
- Customer satisfaction or engagement by demographic.
- Partnerships with community organizations.

CONTACT US

For more information on the business case for diversity and best practices around how to start an effective and successful D&I plan, please contact Sanjita Pradhan, Director of Diversity and Inclusion, Certified Diversity Executive (CDE)[®] and author of this document at the Greater Des Moines Partnership, at spradhan@DSMpartnership.com.

Have you considered ways you could measure the impact of D&I trainings within your organization?

Looking for more diversity, equity and inclusion resources? Visit DSMpartnership.com/inclusion.

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