

# Finding Strength in Diversity

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## **Building a diverse workforce helps companies stay competitive.**

When Yolanda Evans worked for a company with facilities in rural Ohio, she initially found it difficult to locate and recruit people of color.

But then she got involved in the local Boys & Girls Club. As she helped the club's kids apply for summer jobs, she found out about local technical schools she hadn't heard of. By searching for those schools online, she discovered the types of certificates they offered and was able to recruit candidates who held those certificates.

"You find great people, and then you keep looking where you found great people to look for more," says Evans, who is now vice president of people, experience and diversity at Mediavine, a 114-employee ad management company based in Boca Raton, Fla. Attracting a diverse group of job candidates "takes more than sitting behind a computer," she adds.

But the first step, she says, is for company leaders to decide "Do we want an organization of all the same people, or people who will add thoughts, ideas, experiences and perspectives?"

Even before widespread protests against social injustice began in 2020, many employers realized they needed to do a better job of diversifying their workforces, including by recruiting people of color, women, veterans, LGBTQ employees, older workers and those with disabilities.

And while recruiting for diversity is particularly challenging in certain industries, such as financial services, and in more-rural areas of the U.S., putting forth the effort can pay off handsomely: A diverse workforce results in different ideas and viewpoints that keep companies nimble and competitive.

In the financial services industry, "your intellectual capital really matters," says Janessa Cox-Irvin, senior vice president and global head of diversity and inclusion at AllianceBernstein, an investment management and research company. "Hiring different perspectives really matters. There can be a cost to inequality—talent, dollars, clients."

With the increased awareness of racial inequities in the wake of George Floyd's May 2020 murder in police custody, employees and clients expect to see progress on diversity.

"It's about more than strategy by statement," Cox-Irvin says.

## The Bottom Line

A 2020 McKinsey & Co. report found that companies with ethnically diverse executive teams were 36 percent more likely to have above-average profits than companies whose teams were the least ethnically diverse.

In addition, Harvard University researchers analyzed the venture capital industry and found that companies with more women and people of color in their workforces made better investment decisions. "Along all dimensions measured, the more similar the investment partners, the lower their investments' performance," business professor Paul Gompers and researcher Silpa Kovvali wrote in an article for *Harvard Business Review*.

Recruiting for diversity also can cut costly turnover as well as reduce the expense and bad publicity that might result from discrimination lawsuits, points out David Gabor, a lawyer and trainer with DGN Workplace Initiatives in Holly Hill, Fla.

And, of course, there's also the benefit of doing the right thing by giving people equal opportunity.



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YOLANDA EVANS

## Recruiting Tips



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STRATEGIC PRIORITY,  
**ONLY 33%**  
DESCRIBE THEMSELVES AS  
BEING VERY SUCCESSFUL AT IT.

Source: *Creating a Culture of Diversity, Equity and Inclusion: Real Progress Requires Sustained Commitment*, SHRM and Harvard Business Review Analytic Services, September 2021.

Business leaders and HR professionals seeking to increase workforce diversity should review their recruiting and hiring strategies—everything from how job descriptions and advertisements are written to where candidates are sought. Here are some specific actions employers can take:

**Create inclusive job descriptions and job postings.** Companies are increasingly training their recruiters on how to make job descriptions more inclusive so certain candidates aren't left out. For example, including rigid educational requirements can disqualify talented people who can't afford college, which ends up hurting both the company and the candidate.

"You can be an amazing programmer and never have spent a day in a university,"

Evans says.

**Seek out diverse groups of candidates.** Greg Furstner, vice president of human resources at TribaEM, a health care management company that provides medical staff to hospitals and clinics on Native American reservations, emphasizes the need for a diverse staff when speaking with hiring managers. And while it's up to managers to choose the best person for the job, staff diversity will never improve without a diverse group of job candidates, Furstner says.

He also makes it clear in job postings that Native American applicants, veterans and people with disabilities will get preference in the hiring process. Furstner, a veteran himself, works with groups such as the Wounded Warrior Project to source talent.

Employers also find success by searching for candidates in targeted professional groups such as the National Black MBA Association or Girls Who Invest.

"If there's a sales organization, then there's a Black sales organization," says Atira Charles, head of Tallahassee, Fla.-based Charles Consulting Group, which specializes in diversity and inclusion.

When AllianceBernstein recently moved its headquarters from New York City to Nashville, Tenn., it knew it would need to get creative to find diverse talent. So, Cox-Irvin says, company

leaders spent time learning about the community and getting connected, including by taking on significant roles at local nonprofit organizations.

Finding groups to recruit from can be as easy as asking current employees what groups they engage with, but only if the current workforce is diverse.

"You have to go to where the talent is," Charles says. "If you don't have diversity internally, you don't have the lived experience to know where the talent is."

Evans has had success sharing information with other diversity advocates in the Black Professional Technical Network.

"When you plug yourself in intentionally where like-minded people are interested in being connected, these are excellent venues to promote your company," Evans says.

She also follows diversity, equity and inclusion influencers on social media. In fact, her first task each day is to check in with those thought leaders.

"There's no reason to reinvent the wheel when you have people out there who want to share," Evans says. Seeing how much work others are doing to make corporate America more inclusive is an antidote to repeated news of discrimination, she adds. "It's painful to read and be reminded over and over again about people being excluded," she says, "and [to watch] videos of people being discriminated against."

**Help develop future employees.** Cox-Irvin invites 200 students from historically Black colleges and universities to an annual conference featuring speakers on topics such as improving communication skills and decoding the corporate system. AllianceBernstein also introduces teens in low-income areas to the finance industry through a work-study program sponsored by Cristo Rey high schools.

Lindsey Garito, SHRM-SCP, director of human capital management and total rewards at Westmed Medical Group in Rye Brook, N.Y., builds relationships with students by inviting them to shadow the medical group's employees and to apply for internships.

At TribaEM, Furstner connects with young tribal members by sponsoring a health care club where medical professionals talk about their work.

**Reach out online.** Garito shares calendars of local Pride Month events on Westmed's social media page and ensures that the photos on the company's website reflect diversity.

"It's important to take a look and make sure what you're putting out there matches what you say is important to you," she says.

**Seek employee referrals.** Employee referrals can be an excellent source of new hires. One thing to remember, however, is that employee referrals are only effective at improving diversity

when the workforce is already diverse. "If everyone is of the same network, personal referrals will stay homogenous as well," Charles says.

At Westmed, all 1,500 employees are eligible to receive a bonus of between \$125 and \$5,000 when they refer someone who is hired.

"If they are happy where they work and feel they're included, they want someone [they know] to join," Garito says. More than 70 percent of Westmed employees are women, and 56 percent are people of color. For positions at the director level or above, those percentages are slightly higher.

**Use diverse hiring teams.** Everyone involved in recruiting and interviewing needs "a diversity mindset," Charles says, adding that HR professionals and hiring managers alike need to ensure there is a diverse group of candidates for every job opening.

**Train managers.** Expand the concept of who should be considered for open positions, Cox-Irvin advises. Train managers to see the natural skills a candidate brings to the job—a person who lacks finance experience but knows how to sell something can be trained on finance industry concepts, for example.

"If you can influence someone, you can influence someone," no matter the product, Cox-Irvin says. (AllianceBernstein has hired a former professional football player, a former classical singer and someone who worked for Jay-Z's Roc Nation entertainment company.)



## **Retaining Employees**

All that recruiting is for nothing if new hires don't stick around. At TribalEM, Furstner surveys employees about whether they feel included at work and are comfortable being their authentic selves on the job. "You can recruit people," he says, "but if they don't come to a company that reflects the way they look, the way they feel, the way they think, you won't retain them."

Gabor recommends creating a mentorship program to allow workers to develop skills they need to move to the next level and to send a message that all people have the opportunity to thrive within the company.

At AllianceBernstein, employee resource groups have been created to support women, people of color, LGBTQ workers, veterans and employees with families. The groups help with recruiting by getting out into the community, Cox-Irvin says, and they also have a positive impact on retention by creating a workplace where differences are valued.

"HR practitioners have such a role to play," she adds. "It's about engaging, developing and retaining your talent."

AllianceBernstein also assigns buddies to all new hires, but not necessarily someone from the same racial or ethnic group. In addition, the company recently started conducting exit interviews to help HR identify and address issues that may be causing employees to leave. Women and people of color were the first groups chosen to participate.

Having this information allows the company to course-correct, Cox-Irvin says.

Another way AllianceBernstein collects information is by analyzing employee engagement surveys to see if answers differ based on respondents' race, gender and other demographics.

The company also has three diversity councils globally. The council members help emphasize the importance of diversity within their business units and broaden the focus on the topic beyond HR. The councils meet quarterly to share best practices and review employee engagement data.

## **Evaluating Progress**

Many companies with strong diversity programs haven't nailed down ways to measure their progress.

"You cannot improve what you cannot measure," says Lorraine Hariton, president and CEO of New York City-based nonprofit Catalyst and co-chair of the Gender & Diversity KPI Alliance, which includes 56 companies and organizations committed to measuring diversity within their

workforces. "Measurement is a critical component of creating an environment of diversity, equity and inclusion in workplaces that allow all employees to thrive."

The Gender & Diversity KPI Alliance recommends using the following key performance indicators (KPIs) to measure gender and other types of diversity within organizations:

- Percentage of representation on an organization's board.
- Percentage of representation by employee category.
- Pay equality: the ratio of compensation by employee category (equal pay for equal work).

At Westmed, Garito uses a dashboard to track diversity among candidates and employees. For candidates, she looks at gender; ethnicity; and how they were recruited, such as by referral. For employees, she looks at age, gender and race, and then analyzes those by position and level to make sure, for instance, that people in similar jobs are paid similarly regardless of race.

"It keeps us focused on the right things," Garito says.

Westmed also conducts an annual analysis of its progress on diversity and shares a social impact report publicly to remind leaders that having a diverse workforce is a priority.

However, some employers may go too far in their zeal to improve numbers. Using quotas can cause problems, Gabor warns. Selecting a candidate over others based solely on the candidate's race, gender or other protected class can result in illegal discrimination, opening the company up to lawsuits. Also, businesses that focus on meeting quotas may overlook top talent. Companies are better off setting goals and an action plan to achieve them, Gabor says.

### **Mistakes to Avoid**

A common misstep that employers make is failing to strongly debunk the myth that increasing workforce diversity means hiring talent that is less qualified. Business leaders should make it clear that focusing on diversity brings talented people into the organization.

"The employees have got to think, 'We are hiring the best person for the job,' not the best Black person" or the best woman, for example, Gabor says.

"One-and-done" training also doesn't build the sort of permanent culture change needed to alter views on diversity, says Gretchen Nedzi, an executive coach in Reston, Va. Employees need to receive continuous education to get past their biases and recognize that such discriminatory views are not acceptable.

Without training, managers will hire people like themselves because of their unconscious biases. And to combat implicit bias, Gabor says, a less subjective performance review process is important so that all employees have the same chance for advancement.

But the biggest threat of all might be thinking the work on diversity is done.

"You will never be finished with it," Furstner says. "You'll have to continually work at it. Even if you make progress, you can't stop because you'll end up going backward."