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Corporate D&I

Are businesses becoming more diverse and inclusive?

By Lisa Rabasca Roepe

THE ISSUES

Nate Battle has held senior-management roles at five companies, most recently as senior director of client services at a Fortune 500 pharmaceutical company on the East Coast.

But, being a Black man, he says he often felt like he was hitting his head against a brick wall. Each time he aspired for a promotion to vice president, he says his efforts were thwarted even though he would repeatedly ask his manager what he needed to work on to move to the next level. “Despite being highly regarded as an authentic, highly competent, people-focused leader amongst my teams and peers, key individuals in executive leadership roles perceived my strengths as a threat,” Battle says.

His sense of being thwarted is far from unique. Black professionals are more likely to encounter prejudice and microaggressions than any other racial or ethnic group, according to a 2019 study by the Center for Talent Innovation, a think tank that changed its name to Coqual last year. For African Americans, microaggressions include having a colleague touch their hair without permission, being told they are “articulate,” being mischaracterized as “angry” and being excluded from growth opportunities or one-on-one meetings with leadership.¹

Coqual’s study, which generated widespread attention, found that corporate America’s efforts to increase diversity are failing, in part, because of a reluctance to discuss race at the workplace.

Erik McGregor/LightRocket via Getty Images

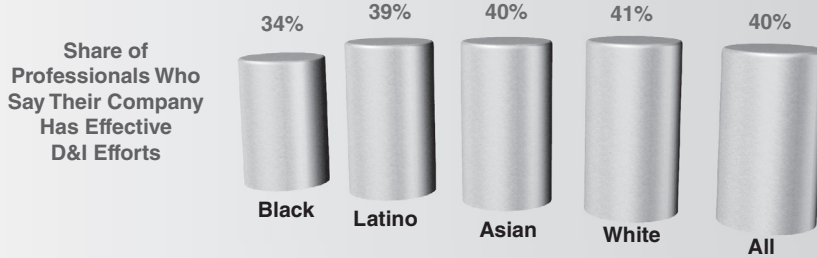


New Yorkers march on July 4, 2020, demanding justice for George Floyd of Minneapolis and other African Americans who died at the hands of police. Nationwide protests have highlighted systemic racism in the United States and focused attention on the need for inclusion and diversity in corporate America.

From *CQ Researcher*,
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Black Professionals Unimpressed With Their Companies' D&I Efforts

In a survey of U.S. employees, only 34 percent of Black professionals said their companies' diversity and inclusion (D&I) efforts were effective. White professionals considered the efforts slightly more effective.



Source: "Being Black in Corporate America," Coqual, September 2020, p. 8, <https://tinyurl.com/yxof3na5>

"We are afraid of talking about race," says Julia Taylor Kennedy, Coqual's executive vice president. "Because we can't talk about it, we can't learn about it."

The issue of diversity and inclusion (D&I) in the business world has taken on increased urgency in the wake of nationwide protests against systemic racism after Minneapolis resident George Floyd was killed by police in May. Corporations, including Walmart and Bank of America, have been scrambling to improve their D&I programs. Defenders of D&I say these programs are not only the right thing to do, but that they also produce higher revenue, greater innovation and increased employee engagement, productivity and commitment.²

Organizations without a diverse workforce are at a disadvantage, Kennedy says. "As the marketplace has become increasingly diverse, companies will need diverse leaders to drive strategy and make sure the company is not unintentionally making a mistake in their product design, marketing or services," she says. Without a diverse and inclusive staff, companies will miss out on that perspective, she adds.

But critics say D&I programs are divisive and counterproductive because many workshops inadvertently frame D&I issues in terms of "us versus them" or ask employees to confront their white privilege, defined as

the inherent racial advantages possessed by a white person in a society characterized by race-based inequality and injustice.³

"It's workplace harassment to teach people this," says Mike Gonzalez, a senior fellow at the Heritage Foundation, a conservative think tank in Washington. "Do you need to be taught to work with and like and converse with someone who is a different race than yours? I don't think I need to be taught. We can get along. We're all Americans."

Part of the debate centers on what D&I is and how to measure its effectiveness. Diversity (practices for hiring and promoting staff) and inclusion (efforts to include staff in decision-making meetings and conversations) are two separate concepts but too often are treated as one, says Theia Smith, director of D&I Consulting at the global services firm PwC, also known as PricewaterhouseCoopers.

"You can have a diverse organization without an inclusive culture," she says. "There can be diversity in the conference room but, yet, the culture within that space may create a sense that you don't belong there."

The nation's decades-long efforts to promote affirmative action add to the confusion over D&I. Affirmative action is a set of laws, policies and guidelines that establish metric-driven programs intended to correct and end the effects of discriminatory hiring practices, while diversity and inclusion programs are voluntary measures aimed at changing the makeup of an organization's workplace and its culture by making sure different points of view are invited in and accepted by leadership.

Regardless of D&I's precise meaning, researchers generally agree that progress has been halting. Corporate

America spends more than \$8 billion a year on diversity training, according to McKinsey & Co, a management consulting firm.⁴ Despite this investment, most companies have not made many gains in hiring a diverse workforce.

For instance, racial and ethnic minorities make up about 39 percent of the U.S. workforce, but only 4.5 percent of Fortune 500 CEOs and 16 percent of Fortune 500 boardroom directors.⁵ Black entrepreneurs led just 1 percent of venture-backed companies from 2013 to 2018, according to a study by RateMyInvestor, which compiles diversity scores on investors, venture capital firms and others.⁶

And, although women are increasingly breaking through workplace glass ceilings, they continue to be underrepresented in corporate leadership roles: Only 37 Fortune 500 companies have female CEOs, compared with 33 in 2019.⁷ (The Fortune 500 is an annual list of companies compiled by *Fortune* magazine that ranks 500 of the largest U.S. corporations by total revenue for their respective fiscal years.)

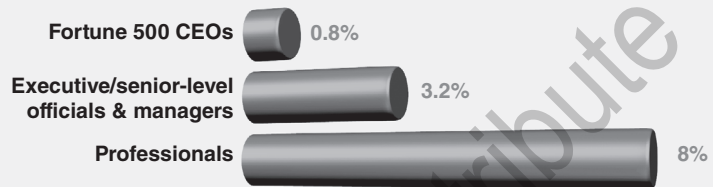
Employees who identify as LGBTQ+ are also underrepresented in management. About 5 percent of U.S. women and 4 percent of men identify as LGBTQ+. However, such women make up only 2.3 percent of entry-level employees, 1.6 percent of managers and an even smaller share of more senior roles, according to McKinsey. And LGBTQ+ men make up only 3.1 percent of entry-level employees, 1.9 percent of vice presidencies and 2.9 percent of C-suite positions.⁸ (The term LGBTQ+ stands for lesbian, gay, bisexual, transgender, queer or questioning, and other sexual identities.)

The challenges are even greater for employees with disabilities. Only 35 percent of individuals with disabilities are employed, compared with 76 percent of those without disabilities, according to a recent study in the *Journal of Business and Psychology*.⁹

African Americans Underrepresented Among CEOs and Executives

Despite making up 10 percent of all degree-holders in the United States, Black Americans hold only 3.2 percent of executive, managerial and senior-level positions and less than 1 percent of Fortune 500 CEO posts.

Share of African Americans in Corporate Offices by Position



Source: "Being Black in Corporate America," Coqual, September 2020, p. 2, <https://tinyurl.com/yxcf3na5>

Inclusion remains challenging as well. Studies find that racial and ethnic minorities do not always feel included in the workplace. (*See Short Feature.*) In June, Coqual released a study that measured employees' sense of belonging—defined as those employees who feel valued, connected to their co-workers and supported in their daily work and career development. The study showed that white men reported the highest sense of belonging; the scores for Black women and Asian women were the lowest.¹⁰

The corporate D&I movement gained momentum following the killing of Floyd, a 46-year-old Black man who died after a white Minneapolis police officer pinned him down during a May 25 arrest by putting his knee on Floyd's neck for nearly nine minutes, and the resulting nationwide protests.¹¹

Before these protests, few corporations took meaningful actions such as directing profits back into Black communities, increasing hiring from Black neighborhoods, eliminating racial pay disparities and promoting Black employees, Maurice BP-Weeks, co-executive director of the Action Center on Race and the Economy, a nonprofit focused on racial and economic justice, told *The New York Times*.¹²

After a video of the Floyd incident was widely circulated, CEOs from Walmart, Bank of America, PwC, Johnson & Johnson and several other companies announced plans to fight economic and racial injustices,

Alex Wong/Getty Images



Lilly Ledbetter, center, talks as House Speaker Nancy Pelosi, right, and other Democratic lawmakers introduce the Paycheck Fairness Act on gender pay equity in January 2019. A 2009 act named after Ledbetter gave employees more leeway to sue over pay discrimination based on race or gender.

including beefing up their D&I efforts. Companies promised to diversify their corporate boards, change their hiring practices to be more inclusive and create D&I advisory committees. They also pledged to donate to organizations that focus on helping the Black community.¹³

In June, Apple earmarked \$100 million for a Racial Equity and Justice Initiative, an effort to “challenge the systemic barriers to opportunity and dignity that exist for communities of color and particularly for the Black community.” Its first projects include creating a learning hub for historically Black colleges and universities, launching an Apple Developer Academy to teach coding skills in Detroit, and issuing a \$10 million check toward venture capital funding for entrepreneurs of color.¹⁴

However, as companies began placing a higher priority on fighting racism and revamping their D&I programs, conservatives became more vocal in their criticisms of D&I training, with many deriding it as divisive.

A group of Google employees said the company began rolling back its D&I initiatives to avoid a backlash from conservatives. Google acknowledged it had ended one racial justice program, but denied that the move was in response to conservative criticism. It said its commitment to diversity and inclusion remained strong and that



Erik McGregor/LightRocket via Getty Images

Marchers in Manhattan urge greater rights and acceptance for the disabled during the fifth annual Disability Pride parade in 2019. A recent study found that only 35 percent of people with disabilities are employed.

the company was seeking “to make sure we’re building our [D&I] capability.”¹⁵

In September, President Trump issued an executive order restricting government contractors and federal agencies from providing diversity training, saying the training “promotes race or sex stereotyping or scapegoating.”¹⁶

To comply with Trump’s executive order, Stanford University, which receives federal research and development grants, released a memo outlining modifications that departments should make to diversity training programs, including prohibiting references to systemic racism and subconscious bias. But it later withdrew the memo following a backlash from professors and alumni.¹⁷

BACKGROUND

History of D&I

In 1941, President Franklin D. Roosevelt signed an executive order outlawing employment discrimination in the federal government and defense industries based on race, color, creed and national origin.¹⁸ Two years later, Roosevelt made it applicable to all government contractors.

Congress introduced the first equal-employment legislation in 1943 to help prevent discrimination against African Americans in defense and government jobs. Five

CHRONOLOGY

1938–1967 *Congress and the White House take action against employment discrimination.*

1938 The Fair Labor Standards Act establishes a national minimum wage and “time-and-a-half” overtime pay when people work more than 40 hours a week.

1943 Congress passes the first equal employment legislation to help prevent discrimination against African Americans in defense and government jobs, and President Franklin D. Roosevelt establishes the Fair Employment Practices Committee.

1948 President Harry S. Truman signs an executive order that effectively desegregates the armed services. By 1953, 95 percent of African American soldiers in the Army are serving in integrated units.

1961 President John F. Kennedy signs an executive order establishing the President’s Committee on Equal Employment Opportunity. It also introduces the idea of affirmative action, which puts the responsibility on government contractors and employers to “ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin.”

1963 The Equal Pay Act makes it illegal for employers to pay men and women different salaries for similar work.

1964 The landmark Civil Rights Act makes it illegal for employers with more than 15 employees to discriminate based on race, color, religion, sex or national origin in hiring, termination, promotion, compensation and job training.

1965 The Office of Equal Employment Opportunity, authorized by the Civil Rights Act, is created to enforce the ban on job discrimination.

1967 President Lyndon B. Johnson signs the Age Discrimination in Employment Act, making it illegal for workplaces to discriminate against anyone who is at least 40 years old.

1987–Present *Corporations take the lead on diversity and inclusion training.*

1987 Labor Secretary William Brock commissions a study of economic and demographic trends; it predicts that the

21st-century labor force will include more women, Blacks and Hispanics. The findings lead many experts to make the business case for providing diversity training.

1990 President George H.W. Bush signs the Americans with Disabilities Act, prohibiting discrimination against individuals with disabilities in all areas of public life.

2009 President Barack Obama signs the Lilly Ledbetter Fair Pay Act, reversing a 2007 Supreme Court decision that had hampered workers’ ability to sue employers on claims of racial or gender pay discrimination.

2015 PwC begins rolling out anti-bias and inclusive leadership trainings to its employees.

2018 Starbucks shuts more than 8,000 U.S. stores for an afternoon to teach employees about the nuances of racial bias.

2019 Coqual, a New York City think tank, releases a groundbreaking study, “Being Black in Corporate America,” that finds Black professionals face prejudice, a lack of support from managers and a cycle of exclusion that keeps them from the C-suite.

2020–21 The killing of George Floyd, a 46-year-old Black man who died after a white Minneapolis police officer pinned him down for nearly nine minutes, sparks nationwide protests against systemic racism. The protests lead to a corporate reckoning of how companies treat their Black employees (May). . . . Coqual releases a study that measured employees’ sense of belonging; it found stark racial and gender differences (June). . . . Apple earmarks \$100 million for its Racial Equity and Justice Initiative, an effort to “challenge the systemic barriers to opportunity and dignity that exist for communities of color and particularly for the Black community.” Projects include a learning hub for historically Black colleges and universities and an Apple Developer Academy to teach coding skills in Detroit (January and June). . . . President Trump issues an executive order restricting government contractors and federal agencies from providing diversity training that calls out racism and white privilege (September). . . . Joe Biden becomes president after vowing to appoint a Cabinet that reflects the nation’s ethnic, gender and racial makeup (January).

'Allyship' Seeks to Help Employees of Color

Program has mixed results, African Americans and Latinos believe.

In many workplaces, white employees consider themselves allies to women of color—but their Black and Latina colleagues see things differently, says Minda Harts, CEO of The Memo LLC, a firm that prepares women of color for the workplace.

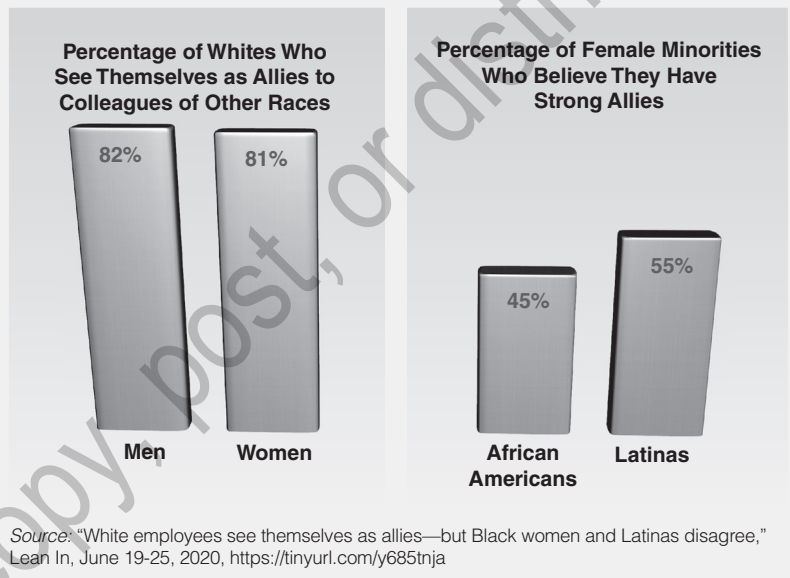
"When you were younger, you were a Girl Scout or Brownie, and in order to get the badge, you had to do the service," she says. "What's happening with allyship is people are calling themselves allies but not actually doing anything."

Harts is not the only Black woman to feel this way. Only 45 percent of Black women and 55 percent of Latinas say they have strong allies at work, according to a June survey of 7,400 U.S. adults by the women's advocacy group Lean In and SurveyMonkey, an online survey company.¹

The survey highlights the disconnect between employees calling themselves an ally and actually behaving as one. Allyship—defined in the survey as "using one's power or position to support or advocate for co-workers with less power or status"—is more than just showing empa-

In the Workplace, a Racial Divide Over Views of 'Allyship'

More than 80 percent of white employees see themselves as allies of minority co-workers, but only 45 percent of Black women and 55 percent of Latinas say they have strong allies in the workplace.



thy, says Rachel Thomas, co-founder and CEO of Lean In. "It means ceding your power to lift up a woman of color," she says. For instance, if a white person were invited to speak on a panel that does not include a woman of color, allyship

years later, President Harry S. Truman signed an executive order that had the effect of desegregating the U.S. armed services. As a result of this order, 95 percent of African American Army soldiers were serving in integrated units by 1953.¹⁹

President John F. Kennedy laid the groundwork for modern D&I programs in 1961 when he signed an executive order establishing the President's Committee on Equal Employment Opportunity. It also introduced the idea of affirmative action, which put the responsibility on contrac-

would mean advocating for a woman of color to take the spot.

U.S. corporations, including PwC, Microsoft and Kroger, are realizing they need to teach their employees how to be better allies, according to their diversity officers. Such training helps employees understand that an ally is generally someone who is white or otherwise privileged and is willing to use that privilege to advocate for employees who do not have the power to advocate for themselves. While allyship training often focuses on ways to support colleagues of color, it can also include women, LGBTQ+ employees and colleagues with disabilities. (The term LGBTQ+ stands for lesbian, gay, bisexual, transgender, queer or questioning, and other sexual identities.)

“We know allyship is a huge lever in creating change,” Lindsay-Rae McIntyre, chief diversity officer at Microsoft, said in an interview with *The Wall Street Journal*. “It isn’t a ‘check the box.’ It’s a behavior. It’s something we have to sustain.”²

Joel Howell, a senior manager in the Office of Diversity at the international consulting firm PwC, the brand name for PricewaterhouseCoopers, advocated creating an Allyship Toolkit when he noticed that employees were increasingly talking about being an ally. He says he wanted PwC employees to fully understand what that role means.

“It’s not a self-designation,” he said in an interview with *Business Insider*. “It’s up to those people in the disadvantaged groups to put the label of ally on you and to say, ‘Yes, this person is my ally and has demonstrated those behaviors.’”³

Unlike its diversity and inclusion training, which is mandatory, PwC’s allyship training is voluntary. Inclusion groups, work teams and groups of colleagues can request such training, which includes teaching what allyship is, organizing an activity on privilege and providing resources for individual reflection and group discussion.

Kroger has also made its allyship training voluntary. The supermarket chain’s African American Associate Resource Group developed a guide offering advice on how to support Black colleagues. The guide gives recommendations for

movies and books that discuss race, including *13th*, a 2016 documentary that offers an in-depth look into the U.S. prison system and how it reveals the nation’s history of racial inequality, and *Between the World and Me*, a 2015 nonfiction book by author and journalist Ta-Nehisi Coates, who wrote it as a letter to his teenage son about the feelings, symbolism and realities associated with being Black in the United States.⁴

To be an ally, colleagues must be willing to have one-on-one conversations with co-workers who look different or are from different backgrounds, says Kimberly Jones, a managing director at PwC. However, Jones warns that such conversations can sometimes give rise to misunderstandings, so underrepresented groups need to find it within themselves to assume that their colleague’s intentions were good.

“Not everyone will get all the words right,” Jones says. “But if we shut down and just feel upset, we lose the opportunity for that learning moment to explain why something hit you wrong and talk more deeply about what the issue is.”

—Lisa Rabasca Roepe

¹ “White employees see themselves as allies—but Black women and Latinas disagree,” *Lean In*, June 19-25, 2020, <https://tinyurl.com/y685tnja>.

² Patrick Thomas, “What Does Being an Ally Look Like? Companies Offer Training in Support of Black Colleagues,” *The Wall Street Journal*, July 12, 2020, <https://tinyurl.com/y4xwly46>.

³ Lisa Rabasca Roepe, “PwC’s chief purpose and inclusion officer shares how the company’s promoting allyship in the workplace with a new employee toolkit,” *Business Insider*, Dec. 21, 2020, <https://tinyurl.com/yell23hc>.

⁴ “Allyship Guide: From Awareness to Advocacy,” Kroger African American Associate Resource Group, <https://tinyurl.com/ybh2avx>.

tors and employers to “ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin.”²⁰

After Kennedy’s assassination in 1963, President Lyndon B. Johnson signed the landmark Civil Rights

Act of 1964, which made it illegal for employers with more than 15 employees to discriminate based on race, color, religion, sex or national origin in hiring, termination, promotion, compensation or job training.



Wounded American soldiers arrive back in Britain on June 11, 1944, five days after the D-Day invasion in France. President Harry S. Truman signed an order desegregating the U.S. armed forces in 1948, and by 1953 nearly all Army soldiers served in integrated units.

Despite this legislation, it would be another two decades before corporations started offering diversity training programs. In 1987, Labor Secretary William Brock commissioned a study of economic and demographic trends. “Workforce 2000: Work and Workers for the 21st Century” predicted that the labor force would include more women and Blacks and Hispanics, which led many experts to make the business case for providing diversity training. Chevron was one of the first companies to offer formal diversity training in the late 1980s.²¹

Bush, Obama Administrations

In 1990, President George H.W. Bush signed the Americans with Disabilities Act, prohibiting discrimination against individuals with disabilities in all places open to the public, including workplaces, schools and transportation.

Barack Obama—the nation’s first Black president—also pushed for greater diversity, appointing the most diverse administration on record up to that point, with women and minorities holding a majority of the top policy positions.²²

In 2009, just days after taking office, Obama signed the Lilly Ledbetter Fair Pay Act, reversing a 2007 Supreme Court decision that had restricted workers’ ability to sue employers on racial or gender pay discrimination claims. The Obama administration also pushed to end discrimi-

nation against gay and transgender employees by loosening the legal concept of gender in federal programs. The directive recognized gender as an individual’s “gender identity,” not a person’s sex assigned at birth.²³

Meanwhile, corporate D&I programs were slowly expanding. PwC hired its first chief diversity officer in the 1990s when leadership recognized the need to focus on how it attracts, develops and advances its employees. But it was U.S. Chair Tim Ryan who first started talking about race with employees in 2018 after Botham Jean, a 26-year-old PwC senior associate, was shot to death by a white off-duty police officer while watching football in his Dallas apartment.²⁴

Starbucks hired its first inclusion and diversity officer in 2018 following a highly publicized incident in which two Black men were arrested in a Philadelphia Starbucks on suspicion of trespassing while waiting for their business partner to arrive.²⁵

“Leadership met with partners and local officials and law enforcement and tried to dissect what happened because Starbucks needed to ensure this would never happen again,” says Nzinga Shaw, Starbucks’s global chief inclusion and diversity officer. “It became apparent we needed external counsel to help us look at ourselves in a way we’re unable to look at ourselves.”

The company hired former U.S. Attorney General Eric Holder to do a civil rights assessment, and leaders decided to train employees on the meaning of racial bias, Shaw says. On May 29, 2018, Starbucks shut down more than 8,000 of its U.S. stores for an afternoon to train employees about the nuances of racial bias.²⁶

CURRENT SITUATION

Biden’s Cabinet

Incoming President Joe Biden, a Democrat who served as Obama’s vice president, vowed to appoint a Cabinet that reflects the nation’s ethnic, gender and racial makeup and will “look like America.”²⁷

Some noteworthy selections include the nominations of:

- retired Army Gen. Lloyd J. Austin III as Defense secretary, the first Black person to head the Pentagon;

- Pete Buttigieg to run the Department of Transportation, the first openly LGBTQ+ person to serve in any Cabinet position;
- Janet L. Yellen as Treasury secretary, the first woman to hold that position;
- and Rep. Deb Haaland, D-N.M., as Interior secretary, the first Native American in that post.

Nevertheless, some want Biden to make his appointments even more diverse. “It is still an older, whiter, male-er group in general,” said Varshini Prakash, the executive director and a founder of the Sunrise Movement, a liberal group focused on climate change. Biden has responded to such criticisms by saying his nominees are “the most diverse Cabinet anyone in American history has ever announced.”²⁸

Corporate D&I Efforts

Today, more than 60 percent of companies have specific goals for diversity in hiring with respect to race/ethnicity and gender, while substantial numbers also have goals related to older workers, veterans, LGBTQ+ individuals and immigrants, according to a 2020 survey by Jobvite, a recruiting company. In addition, 33 percent of recruiters said that more job seekers in 2020 inquired about D&I initiatives than had done so in the previous year.²⁹

Stockholders are pushing boards to add members who offer gender, racial or ethnic diversity. In December, Nasdaq filed a proposal with the U.S. Securities and

Exchange Commission that would require all companies listed on Nasdaq’s U.S. exchange to publicly disclose consistent, transparent diversity statistics regarding their boards of directors.³⁰

In addition, the rules would require most Nasdaq-listed companies to have, or to explain why they do not have, at least two diverse directors, including one who self-identifies as female and one who self-identifies as either an underrepresented minority or LGBTQ+. Starbucks recently promoted board Vice Chair Mellody Hobson, co-CEO of Ariel Investments, to become chair effective in March, making her the only Black woman to lead the board of directors of an S&P 500 company.³¹

States have also been pushing boards to improve diversity, beginning with a 2018 California law requiring that state’s publicly traded companies to have at least one woman on their boards of directors. Since then, women have filled 669 board seats, according to a March 2020 “Women on Boards” report by the California secretary of state.³²

At least 665 women will need to be added to California public company boards by the end of 2021 to fulfill the gender requirement of the law, the report said.

Colorado, Illinois, Maryland and New York have passed laws mandating that publicly traded corporations disclose the number of women on their boards. The Illinois law also requires boards to disclose how many minorities sit on their boards as well as their plans to promote diversity. Hawaii, Massachusetts, Michigan, New Jersey and Washington state are considering similar legislation.³³

However, more than any other event, law or regulation, the killing of Floyd ignited corporate America to push for more inclusive and diverse workplaces. Following his death and the Black Lives Matter protests that it triggered, many CEOs issued statements and made promises to create a culture of inclusion at their workplaces.³⁴

The one-two punch of a global pandemic that has disproportionately affected people of color and the racial justice protests led many companies to seek out PwC’s help in how to create a culture of inclusion, says Smith, whose role at PwC is to help corporate clients with their D&I efforts.

“I truly believe the change that we need around D&I now has to happen within our corporations,” she



Mellody Hobson, co-CEO of Ariel Investments, has been appointed chair of Starbucks’ board of directors. She will be the only Black woman to lead a Fortune 500 board.

Do corporate diversity and inclusion efforts work?

YES**Theia Smith***Director, D&I Consulting at PwC**Written for CQ Researcher, January 2021*

To understand whether diversity and inclusion (D&I) efforts work, you first have to define what those efforts mean to an organization—to their values, culture and bottom line.

Because of this, D&I success looks different from one organization to the next. For example, according to PwC's latest D&I Benchmarking Survey, 62 percent of organizations leverage their D&I program to attract talent or comply with legal requirements, whereas 20 percent leverage D&I to achieve greater innovation or improved financial performance.

It's also important to recognize that diversity and inclusion are not one and the same, so success for each of those categories differs. Diversity is about ensuring representation across an organization, while inclusion results from a culture of belonging, even when people are different. The importance of each cannot be understated, and the greatest success comes when the focus is on both, working in concert.

In addition, it's important to recognize that success in the form of true, widespread and sustainable change almost certainly takes time. For D&I efforts to truly work, leaders must make a long-term commitment, understanding the legacy-building opportunities even if they don't witness dramatic results during their tenure.

For all of these reasons, progress is best evaluated through the process of evolution and transformation. D&I efforts are working when organizations:

- Own up to where they are in their efforts through candid conversations and an increased level of transparency, even if they're not yet where they want to be.
- Commit to action. Even if the first steps to action feel awkward and unsteady, taking action that moves beyond words or performative gestures creates lasting, measurable change.
- Understand that D&I goes beyond data points and focuses on creating an inclusive culture or moving toward one where people feel they belong, no matter their differences.
- Ensure that the chief diversity officer does not have the sole responsibility to drive efforts, but that such efforts are woven into the organization's culture and embraced from the top down.

The bottom line is, it's a mistake to think that D&I efforts aren't working simply because we haven't fully reached our ultimate goals. Examples abound of the many ways that D&I efforts are in fact driving change, shifting hearts and minds and making people more thoughtful, proactive and intentional about noticing injustice within their walls and committing to do something about that.

NO**Mike Gonzalez***Senior Fellow, Heritage Foundation**Written for CQ Researcher, January 2021*

"Diversity" and "inclusion" have become terms with which the political left surreptitiously hijacks one of the best human traits, our impulse for compassion, in order to achieve its aims. Who could oppose diversity and inclusion, after all?

A lot of Americans, that's who—at least the ones who realize that the end goal is equalized outcomes, and that the means require coercive measures such as imposed quotas; unequal treatment based on race, sex or national origin; and sending people the corrosive message that they can only succeed when other people are forced to hire them, grant them a contract or admit them to university.

All these goals violate American ideals, if not actual law. Moreover, approaching racial disparities in such a ham-fisted manner fails to address the underlying causes of poverty. That is why "temporary measures," such as the racial preferences of affirmative action, did not go away after six decades, but grow and grow—while failing to address disparities.

Equalized outcomes are unjust to all involved. Men have different talents and abilities; some also elect to work harder and longer than others or invest precious time gathering knowledge in remunerative fields. Some choose wisely, while others choose foolishly. In other words, some merit reward, while others require incentives to do better.

The Founders early on recognized that inequality of results was natural. In "Federalist 10," James Madison observed that there was a "diversity in the faculties of men," adding "the protection of these faculties is the first object of government."

If disparities arise because of discrimination, the law must get involved. And, in fact, statutes on the books make it illegal to discriminate against individuals or entities in most areas of life because of the race, ethnicity, sex or national origin of the individual or owners. This is as it should be. Diversity that obtains organically, because of meritocracy, is a beautiful thing, moreover.

But we mustn't pretend that all employment disparities are due to discrimination. Throughout history, different ethnicities have been under- or over-represented in different fields for reasons that have nothing to do with racism. To force every office, plant floor, legislature or classroom to mirror the demographic proportions of the base population would require color-conscious methods.

And this is where enforced "diversity and inclusion" falls apart. Mandated numerical proportionalism would require race-conscious laws, as Sen. Elizabeth Warren and others have called for. We have already had "race-conscious laws" in this country. It didn't go well.

says. “Change needs to come from corporate America and its leaders who are working to shape and mold our society.”

Some experts note that CEOs are finding ways to come together to share best practices to advance D&I in the workplace. PwC’s Ryan in June 2017 co-founded CEO Action for Diversity and Inclusion, a group of more than 1,500 CEOs across 85 industries, representing 13 million U.S. employees. The group’s signatories increased by 40 percent in the five months immediately following the nationwide protests against systemic racism last summer. The CEOs have pledged to improve diversity and inclusion through dialogue and unconscious bias training.

Separately, a coalition of more than 30 CEOs from Merck, IBM, Nike and other companies is providing seed funding for a startup called OneTen, which plans to create 1 million jobs for Black Americans over the next 10 years. The group, which has recruited more than 35 million supporters and raised more than \$100 million, aims to find jobs that pay at least \$40,000 a year for African Americans with high school diplomas and other certifications but who lack four-year college degrees.³⁵

Federal Action

President Trump’s executive order in September restricted government contractors and federal agencies from providing diversity training. After the order was signed, the Office of Management and Budget instructed federal agencies to review any training that includes such terms as “critical race theory,” “white privilege” and “unconscious bias.”³⁶

In early January, the Justice Department asked the White House to approve a change in how it enforces Title VI of the Civil Rights Act, which prohibits recipients of federal funding from discriminating based on race, color or national origin. The regulation covers housing programs, employers, schools, hospitals, and other organizations and programs. The Justice Department wants to substantially narrow how it defines discriminatory behavior in Title VI, according to the document.³⁷

Meanwhile, the Office of Federal Contract Compliance Programs, which oversees federal contractors for the Labor Department, said efforts by Microsoft

and Wells Fargo to double the ranks of Black managers and executives over the next five years might violate U.S. laws barring discrimination based on race.³⁸

The Heritage Foundation’s Gonzalez praised the administration’s actions, saying, “I believe having a diverse workplace is a good thing. It leads to creativity. But it doesn’t need to be mandated.”

Civil rights groups have defended D&I programs, and they filed a lawsuit in October charging that Trump’s executive order violated free speech rights and would “undermine efforts to foster diversity and inclusion in the workplace.”³⁹

Biden is expected to undo his predecessor’s executive order on D&I programs.⁴⁰

In his 26-page plan for pursuing racial economic equity, Biden pledged to end the wage gap that exists between Black and white employees. This gap is particularly troublesome for women of color, Biden’s plan said, with Native Hawaiian and Pacific Islander women earning 68 cents, Black women earning 62 cents, Native American women earning 57 cents and Latinas earning 54 cents for every dollar a white man earns. This difference adds up, on average, to roughly \$1 million over a career, according to Biden’s plan.⁴¹

OUTLOOK

D&I’s Challenges

Companies need to move beyond creating a place of mere tolerance to a place of acceptance and belonging, according to Starbucks’ Shaw. “There is a human need to belong. It is almost as great as the need for food and water,” she says. “We need to create a culture of belonging, not tolerance, so that anyone who comes into our four walls feels like they are appreciated for whatever unique attributes they are bringing.”

PwC’s Smith says that inclusion does not automatically follow diversity. “So many times companies believe they can check the box and consider it done,” she says. Hiring more people of color does not solve the issue either, Smith says. “That’s just window dressing.”

Kelly Lavin, Jobvite’s senior vice president of talent, is optimistic about the future. “We’re seeing that D&I initiatives are becoming more of a priority for everyone, not just people in underrepresented groups,” she says.

“Twenty years ago, there was more separation between who you worked for and how you are seen as a person, but I think that has really shifted and job seekers want to make sure they work for a place they can believe in.”

Companies are beginning to revisit what the term D&I means to them—to their values, their culture and their bottom line, Smith says.

“I believe this is a beneficial moment in time for us to reconsider and evaluate the common language we’re using,” she says, stressing that diversity and inclusion programs should include a nod toward where companies want to go in the future.

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THE NEXT STEP

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LeanIn.org, 855 El Camino Real, Building 5, Suite 307, Palo Alto, CA 94301; leanin.org. Nonprofit founded by Facebook chief operating officer Sheryl Sandberg in 2013

that is dedicated "to offering women the ongoing inspiration and support to help them achieve their goals."

McKinsey & Co., 1200 19th St., N.W., Suite 1000, Washington, DC 20036; 202-662-3100; mckinsey.com. Consulting firm that advises governments and corporations on strategic management, including D&I issues.

PwC, 300 Madison Ave., New York, NY 10017; 646-471-4000; pwc.com. A global professional services firm, also known as PricewaterhouseCoopers, that offers a variety of services, including auditing, governance and consulting. It has helped many companies in their efforts to create a culture of inclusion.

Starbucks, 2401 Utah Ave. South, Seattle, WA 98134; 206-447-1575; starbucks.com. An international chain of coffeehouses and roasteries that is a corporate leader in D&I.

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