The 5 Factors

By following the factors, the D&I process can mature, reach peak performance and be a strategic lever with which to accomplish organizational results. *By Linda Stokes*

"I am a new CDO, an army of one — what can I do to extend my reach across a large geographic area?"

"I have inherited my organization's D&I process, and I want to upgrade our current approach and put my own stamp on things."

"I have been working our D&I approach for years … it is time to take it to the next level."

"We don't have a CDO. We run things with volunteers. What do we do to create a solid foundation that moves us forward?"

Each of these situations is different, yet many similarities exist. While there is never a one-size-fits-all in discussions of diversity and inclusion (D&I), there are some fundamental questions to be asked in each situation and a process to address the answers.

If one believes that form follows function, a strategic diversity infrastructure shape should be primarily based on its intended purpose. Then, the diversity executive can begin with the end in mind by asking and answering questions to guide the infrastructure building process. An effective and business-relevant D&I structure can be created by following five essential steps. They include situation, strategy, structure, skills and knowledge and sustainability.

Factor One: Situation

First, decide on the infrastructure functionality or determine what problem the organization is trying to solve. "Understanding the culture and situation is critical prior to building the strategy and structure," said Steven Larson, diversity and inclusion strategy consultant at financial services company Wells Fargo. "Two important questions for understanding the situation are, what is the driver for doing this work and why now? In other words, what is the core of the organization's commitment?"

Instead, practitioners often follow a "build it and they will come" philosophy as the D&I plan and process is constructed. While sometimes more expedient, that approach is not sustainable; it does not garner the same serious attention given to other business problems.

The following questions help to determine what the organization is trying to solve as it relates to the workforce, workplace and marketplace from a D&I perspective.

- What are my organization's top strategic priorities? Where are the intersections between those priorities and diversity and inclusion?

- Is my organization anticipating any major changes, such as mergers or adding new product lines?

for D&I Success

• What is my organization's vision, mission and values?

• Where are we in our D&I maturity? Are we in a start-up phase? Just beginning to create and implement tactics and gain momentum? Are we in peak performance demonstrated through continual attainment of goals? Are we in slippage — with organizational diversity fatigue resulting in reduced resources and interest? Do we feel that at this time the efforts are dormant or non-existent? Are we seeing the need for rejuvenation and restructuring?

• What does our assessment data tell us about representation numbers, our ability to attract, retain, develop and engage talent and customers? Is that data cut across demographic groups?

• What is the history — the good, the bad and the ugly — of D&I in our organization?

• What are our key stakeholders saying, feeling, thinking, fearing and hoping to achieve through the D&I process?

With these answers the chief diversity officer can determine the overarching strategic framework needed.

Factor Two:
Strategy

Often organizations utilize a checklist of activities piecemealed together to form a plan. The plan should be built around the organization's strategic priorities.

Practitioners often say, "there has to be more to D&I than food, fun and flags," meaning activities that create excitement and visibility don't always move the organization forward. However, creating an overarching strategic frame-work does not have to be ominous. Strategies should be purposefully broad and linked and aligned with the organization's strategic priorities, not the D&I mission. Note: efforts to increase communication, community involvement and training are not strategies. They are activities.

Joe Santana, senior director of diversity for electronics and engineering company Siemens USA, said his company manages diversity "by reviewing policies, practices and procedures to drive an inclusive and high-performance workplace culture." This broad-level strategy allows for specific, measurable tactics under each strategy. Further, D&I strategies should not change from year to year unless there is a major shift in organizational priorities. However, the tactical aspects of the plan change frequently to meet individual business unit, region or product line needs.

Fernando Serpa, director, global diversity and inclusion for energy and efficiency company Johnson Controls, said diversity and inclusion need to be embedded into the business strategy like safety or quality. "If diversity and inclusion is seen as a stand-alone initiative, it is not going to have the traction and sustainability you need to make it succeed. We review all of our business goals and pull out those that have a diversity component, such as tapping into new markets, innovation and customer satisfaction. We then align the diversity strategy to mirror our business goals so that going forward everything we do in diversity is tied to moving the business forward."

Neddy Perez, vice president, global diversity and inclusion at industrial company Ingersoll Rand, agreed. "D&I needs to be aligned with your business priorities, otherwise it will not carry any weight within the organization with business leaders. If you link it to sales leads, improved operational

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efficiency and profit generation, your efforts will be taken more seriously. If the focus is only on branding, for example, you will not be as successful in driving real organizational change."

With a strategic framework in place, the CDO must determine how to execute the tactical elements of the plan and engage the entire organization, especially if there is only one leader in the office of diversity.

Factor Three: Structure

Many diversity organizations are built thinking about the functional areas of diversity and inclusion as opposed to the desired results. Either approach might produce a similar conclusion, but a structure focus demonstrates business savvy and a sophisticated understanding of organizational development.

Structure includes diversity councils, employee resource groups (ERGs), also known as business resource groups, as well as the office of diversity. "All parts of the infrastructure should be structured as the company is structured with governance and accountability so their energies and efforts are focused to contribute business value," said Larson of Wells Fargo.

Although most organizations have councils and ERGs, these two pieces of the D&I infrastructure are different in purpose and function. Diversity councils are groups of employees or leaders selected according to specific criteria. They are chartered and organized to create or implement the tactical elements of the D&I strategic plan across the organization's footprint. They can be formed to represent regions, business lines and divisions. The tactics they implement are built flexibly to meet specific needs in alignment with D&I strategies. Many times councils accomplish visible activities, but their efforts don't necessarily work to substantially move the business forward. They are often separate from the other council groups and may be working from tactical activity templates. This approach will not garner the same results as a tightly chartered group focused on accomplishing overarching business strategies.

ERGs are also linked to the overarching strategies and to the councils' efforts. These groups help to implement agreed-upon tactics for specific constituency groups and move the business forward. Organizations cannot afford ERGs that only work on their constituencies' behalf. Johnson Controls' Serpa said his company asked its ERGs to show their business value internally and externally. For instance, the Hispanic Affinity Network is developing a relocation toolkit and manual for Latinos moving to the Milwaukee area, where the company is headquartered. "If a new employee is given that extra attention, made to feel welcome and included as soon as they arrive, that will have a positive effect on their retention and engagement as well as how they speak of Johnson Controls to their friends and colleagues outside of the company," he said.

These two groups comprise the "feet on the street" for diversity and inclusion. They are the vocal advocates and champions, the people who make things better for employees, customers and the organization. When joined to each other, they should then be connected to an overarching steering committee and tied to the ultimate process owner, the organization's president or CEO.

The overarching council charter should include the organizational chart for D&I to ensure alignment. Often charters are no more than a page of guiding principles and do not detail the operating guidelines for each part of the infrastructure. Thorough charters take time to create and should be approved up the chain of command, be shared with each member and be present at each meeting. The charter should indicate the membership process, how to terminate members, roles and responsibilities for each aspect of the infrastructure, group leadership, the history of D&I work and details on specific linkages to the business, including vision, purpose and mission.

Asma Sage, adviser for the Engineering, Operations and Technology Diversity and Inclusion Council (EO&T) for Boeing's IT infrastructure, said her experience leading an enterprise D&I council taught her that establishing a solid infrastructure is vital to effectively develop, implement, execute and maintain a sustainable D&I strategy.

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orities with those of the business; enabling the council to move from purely tactical projects to a strategic plan with prioritized, focused objectives. As a result, the EO&T D&I Council's vision, mission, objectives, strategies and tactics have all been aligned to the expectations of our Boeing EO&T leaders, and are now focused on advancing employee engagement, inclusion, productivity and business performance."

Once the infrastructure has been created, the fourth success factor comes into play: skills and knowledge.

Once the infrastructure is in place and members are selected, council and ERG members have been known to say, "I just became part of the council and was invited to this meeting. I really don't know why or what I am supposed to do." Skilling up council and ERG members is critical to their success and to the overall success of the D&I infrastructure and process. Otherwise, passionate, eager, willing workers are ill-equipped to implement the tactical elements of the plan for which they have been "hired," and gaps discovered in the situation phase cannot be closed.

Factor Four: **Skills and Knowledge**

Skills and knowledge for ERG and council members — like any other position within an organization — can't be a check-it-off-the-list, one-and-done event. Not only do new members need an orientation, they need to understand D&I from a personal, interpersonal and organizational change perspective. A specific job description should be in place and included within the charter, and participants' performance should be gauged; they should be coached and rewarded. CDOs, council or ERG chairmen, or a subcommittee chairman can encourage, inspire and gauge members' performance. In the best-case scenario, the council/ERG members' efforts are part of their job performance evaluation. This practice keeps the communication flowing between members and their supervisor.

Too often the diversity and inclusion process comes and goes with passing CDOs, CEOs or after an unfortunate situation, which is why sustainability is the fifth and final factor necessary for strategic D&I success. "The key test for a successful diversity strategy is how embedded is it in the corporate culture and will it survive as a business practice if the diversity officer leaves the company," Serpa said.

Factor Five: **Sustainability**

The goal for each D&I process is to reach and sustain peak performance by closing the gaps identified during the situation step and by continuing to identify and close gaps as the organization grows and business changes. Often sustainability focuses on a strategic, comprehensive communication plan, an accountability and measurement plan and ongoing education as the D&I process matures. Without a tracking and measurement process, nothing will last, and success in today's sharply focused, budget-restricted workplace is doubtful.

Perez offered three tips to sustain D&I work. "Identify what system changes need to happen; find out who are the informal leaders and engage them; and identify and engage two to three senior leaders in the process who can become strong advocates."

The aforementioned process was presented linearly for ease of explanation, but it is not lock-stepped. The components are often worked on simultaneously.

By adhering to the adage that form follows function and by following each of the five factors for D&I success, the D&I process can mature, reach peak performance and be a strategic lever with which to accomplish organizational results. «

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