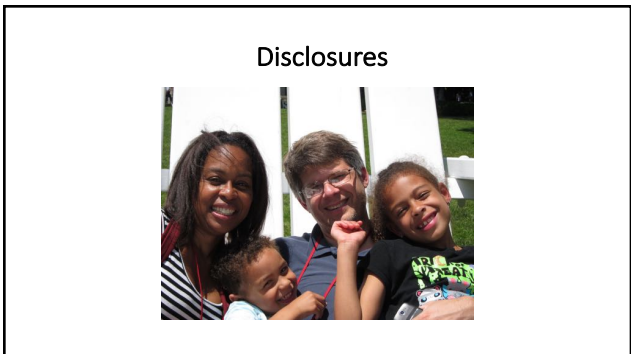


Objectives

1. Review the changing demographics within the United States.
2. Examine the factors motivating businesses to invest in diversity.
3. Investigate some of the strategies used in the business arena to promote diversity within their rank.
4. Analyze the legal issues facing employers related to diversity within the workplace.



Disclosures

- I do not have a financial interest/arrangement or affiliation with one or more organizations that could be perceived as a real or apparent conflict of interest in the context of the subject of this presentation

The Changing U.S. Demographics (Between 2014 and 2060)

- Projected ↑ from 319 million to 417 million
- ⅓ of that growth will be foreign born
- Current majority: non-Hispanic white population; 2044: Majority-minority crossover; 2060: 44% of population
- Fastest growing group in US – “Two or More” races population



Diversity Investment: Motivating Factor

- Globalization
- Diverse/Inclusive Teams = Better Company Decisions
- Positive Perceptions = ↑ Interactions

Diversity Investment: The Comfort of Sameness

- The Similarity Organizational Theory
- The Social Categorization Model
- The Similarity-Attraction and Self-Categorization Theories

Innovation with Diversity

- Diverse groups (race, ethnicity, gender, sexual orientation) more innovative than homogeneous groups
- Finding hidden power in our biases

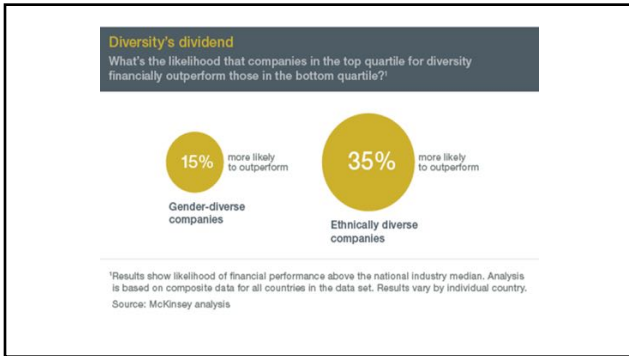
Gender Research

- Review of top firms from S&P Composite 1500 list 1992-2006 - Companies that prioritized innovation saw greater financial gains when women were part of the top leadership ranks
- Other research found companies with one or more women on board had higher than average return on equity, net debt to equity and better than average growth

Race Research

- A 2003 study based on 177 national US bank executives surveys comparing financial performance and racial diversity with the emphasis the executives placed on innovation

Results:
The innovation-focused banks with increased racial diversity demonstrated enhanced financial performance



Tying Diversity to Innovation

- A 2004 study with 350 students from 3 universities examining the influence of racial and opinion composition in small group discussions
- Dissenting opinions were written, having both black and white members deliver them to their respective groups

Results:
When a black person presented the dissenting opinions to a white audience, the perspective was perceived as novel and led to more introspective thinking than when a white person presented the identical information to the white audience

Powerful Motivating Factor: Difference

- 186 people identified as Democrat or Republican partnered with another individual and asked to prepare an essay communicating their perspective.

Result:
Those making the argument with a member of their own party were less prepared than those from a different party.

The Tincture of Time: The Millennials

- A 2014 study looked at the effects of supervisor demographics and the relational differences within the supervisor-subordinate relationship on employee satisfaction.

Results:

- Older white supervisors positively affected Millennials job satisfaction
- No preference noted with respect to gender

Recruitment and Retention Strategies that Fail

- Diversity Training
- Hiring Tests
- Performance Ratings
- Grievance Systems

Cultural Iceberg

Formal (Over) Aspects: Visible and measurable. Includes: Code of Ethics, Mission Statement, Public and Private Policies, Financial Incentives.

Informal (Cover) Aspects: Not visible and not measurable. Includes: Values, Informal Interactions, Group Norms.

Internal and Organizational Aspects: About the formal and informal systems. Includes: Beliefs and Perceptions, Attitudes, Behaviors, Language, Non-Verbal, Misperceptions, etc.

Courtesy of Richard S. Dierkes, SHRM Systems Group, 1978

Poor Returns on the Usual Diversity Programs

The three most popular interventions make firms less diverse, not more, because managers resist strong-arming. For instance, testing job applicants hurts women and minorities—but not because they perform poorly. Hiring managers don't always test everyone (white men often get a pass) and don't interpret results consistently.

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Mandatory diversity training				-9.2			-4.5	-5.4
Job tests		-3.8	-10.2	-9.1	-6.7	-8.8	-9.3	-9.3
Grievance systems		-2.7	-7.3	-4.8		-4.7	-11.3	-4.1

NOTE: GRAY INDICATES NO STATISTICAL CERTAINTY OF A PROGRAM'S EFFECT. SOURCE: AUTHORS' STUDY OF 800 FIRMES AND LARGE U.S. FIRMS. THE ANALYSIS ISOLATED THE EFFECTS OF DIVERSITY PROGRAMS FROM EVERYTHING ELSE GOING ON IN THE COMPANIES AND IN THE ECONOMY. FROM "WHY DIVERSITY PROGRAMS FAIL," BY FRANK GOBURN AND ALEXANDRA KALY, JULY/AUGUST 2016 © HBR.ORG

Recruitment and Retention Strategies

- Blind Auditions (Business and Music Industries)
- Recruitment Fairs
- Mentoring
- Institutional Diversity Exposure
- Social Accountability



Diversity Programs That Get Results

Companies do a better job of increasing diversity when they forgo the control tactics and frame their efforts more positively. The most effective programs spark engagement, increase contact among different groups, or draw on people's strong desire to look good to others.

% CHANGE OVER FIVE YEARS IN REPRESENTATION AMONG MANAGERS

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Voluntary training			+13.3		+9.1		+9.3	+12.6
Self-managed teams	-2.8	+5.6	+3.4	+3.9				+3.6
Cross-training	-1.4	+3.0	+2.7	+3.0	-3.9		+6.5	+4.1
College recruitment: women*	-2.0	+10.9	+7.8	+8.7		+10.0	+18.3	+8.6
College recruitment: minorities**			+7.7					
Mentoring			+16.0	+9.1	+23.7	+12.0	+24.0	
Diversity task forces	-3.3	+11.6	+8.7	+22.7	+12.0	+16.9	+30.9	+24.2
Diversity managers		+7.5	+17.0	+11.1	+18.2	+10.9	+13.8	

*College recruitment targeting women turns recruiting managers into diversity champions, as it also helps boost the numbers for black and Asian-Americans men.
 **College recruitment targeting minorities often focuses on historically black schools, which lifts the numbers of African-American men and women.

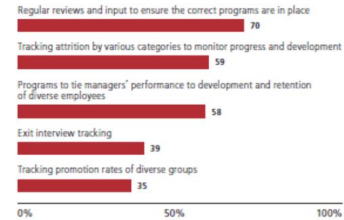
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Effects of Diversity Programs: Monitoring

- Demonstrates commitment, productivity, and advancement
- Efficacy tracked by employee reviews, company policy feedback, attrition rates, and manager's performance tied to development goals
- Examples of accountability metrics: productivity, employee morale, employee turnover



Globally Senior Executives Report on Programs to Retain Diverse Talent



Legal Issues in Creating a Diverse Program: QUESTIONS

- Can you pursue diversity within the bounds of our legal system?
- Does Bakke permit you to work towards a more level playing field?
- Does the pursuit of diversity ultimately mean discrimination against white males?



Review of Diversity based Caselaw

- Pro se Caucasian woman files age and race discrimination case.
- Caucasian attorney files racial harassment suit.
- Caucasian teacher won a reverse discrimination case stemming from his termination.



Review of Diversity Case Law

- Bakke.
- Grutter v Bollinger.
- Fisher v. University of Texas at Austin.



Recent events



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