

Diversity Must Be Nurtured to Be Effective

By Phyllis Deiso



The presence of a diverse and inclusive workplace culture is perhaps the greatest business catalyst that exists to tap the potential and profit of emerging markets, broaden the talent pipeline, and enhance brand and corporate reputation. For diversity and inclusion to be successful, however, it must be planted, nurtured, and exposed to the right conditions over time, which

is where boards play an important role.

For diversity and inclusion to become strategic business drivers, all of the leaders in the organization must integrate these values into the core of the company's operations and track both quantitative and qualitative measures in the areas of workforce, workplace, marketplace, and community.

Commitment to diversity and inclusion strategies that impact the bottom line begins with the board, CEO, and top management. Together they set the tone and must hold the organization accountable for achieving its diversity and inclusion goals. Leading companies often have an executive diversity and inclusion council that supports and guides the chief diversity officer in developing, reviewing, and measuring these goals while ensuring integration across the organization's operations.

Broadening the diversity of a company's workforce requires close partnership among its diversity professionals and recruiting and human resources functions. A board member with a background in diversity and inclusion can be very helpful in steering these different groups. Together they can look outside of the company's traditional recruitment strategies to identify, hire, and cultivate a diverse workforce that is aligned with the organization's talent needs, its markets, and its financial goals.

Developing a more diverse and inclusive workplace requires the support of multiple functions across the organization. Employee resource groups (ERGs) continue to be at the heart of this effort, as they provide forums for building understanding, igniting change, and mentoring and sponsorship that help diverse professionals achieve their best. When operating effectively, ERGs bring together not only a group of professionals with similar backgrounds and interests, but also professionals and leaders whose different

backgrounds create both a deeper understanding of the marketplace and organization-wide support systems.

Tapping into the true potential of today's diverse suppliers and markets requires the company's communications, marketing, procurement, product development, and research departments to engage with each other. Whether a company seeks to diversify its supply chain or customer base, it must begin by understanding the culture and customs of the marketplace it wants to do business with. A diverse employee base is one of the best ways to connect to these business opportunities.

Finally, a company must make a positive impact on the diverse communities it wants to do business with, which is why a connection between a company's diversity strategy and its corporate social responsibility strategy is crucial. When the diverse communities a company wants to serve and recruit from are supported by the company, it will be more successful in its business objectives.

The Board's Role

Outside of providing support from the top, what is the board's role in helping to drive an integrated diversity and inclusion strategy?

First, it is important that boards reflect the myriad backgrounds, cultures, and experiences that comprise a company, its customer base, and the communities in which it does business. Similar to talent acquisition strategies for staff, companies are looking beyond traditional recruitment sources in an effort to find directors who bring a greater variety of knowledge, experiences, and work styles—and who can help them think differently about diversity.

Second, boards must hold a company accountable for its performance against its diversity and inclusion goals and metrics. For diversity to take hold, it must be tracked with meticulous analysis. Actual numbers on recruitment, retention, supply chain, customers, and community involvement activities should be assessed at least annually by the board to ensure sufficient progress is being made to achieve diversity goals. Diversity metrics should also be a key component of performance management and compensation for top leaders within an organization.

Through strong governance and accountability, boards can help companies realize the full potential that diversity and inclusion can bring to an organization.

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