



Diversity in the Workplace

# Measuring Diversity

If you have held a job for any length of time, you have likely heard about the importance of workplace diversity.

Having a diverse work environment is held in high regard — and for good reason. It offers many benefits to both employees and the company. But what isn't discussed enough is what having a “diverse team” actually means.

## WHAT IS WORKPLACE DIVERSITY?

A diverse work environment includes people from multiple ethnicities, genders, sexualities, generations, disabilities, religions and socio-economic backgrounds.

There are many benefits of encouraging a highly diverse workplace that can lead to bottom-line impact on your company.

## HOW TO ACHIEVE IT

Now that you better understand what diversity is, the next step is to assess the diversity in your workplace.

A diverse and inclusive company should see diversity of background, diversity in experience and diversity of thought throughout all levels of business structure.

Here are a few steps all business leaders should take:

**1. Ask for feedback.** Inside



information is invaluable. Ask your employees how they view themselves in terms of workplace diversity. Just be sure any feedback is freely given and remains confidential.

**2. Utilize your HR department.** Human Resources can be a great asset in assessing

workplace diversity. While you won't have access to some personal details such as sexual orientation or religious affiliation, personnel files can be the best resource for evaluating information regarding education, gender and work background.

**3. Evaluate all incentive**

**programs.** Who gets promoted in your company? Why? Are your incentive programs equitable and equally accessible? A great way to assess the fairness of incentive programs is to evaluate the feedback given to unsuccessful candidates.

**4. Bring in the profession-**

**als.** If you want a more thorough understanding of your company's diversity, hire a third party to assess your company. An unbiased outside perspective can give great insights to factors such as hiring, incentive programs, promotion structure and team dynamics.

# Benefits of Diversity

A company's diverse makeup is a crucial component of its success. In fact, staying competitive in an industry requires company leaders to continually assess workplace diversity and implement diversity plans.

That's why many major organizations have turned their attention to hiring chief inclusion and diversity officers as part of their executive teams. These valuable leaders are tasked with the development and execution of programs that promote inclusion, diversity, equity, access and opportunity.

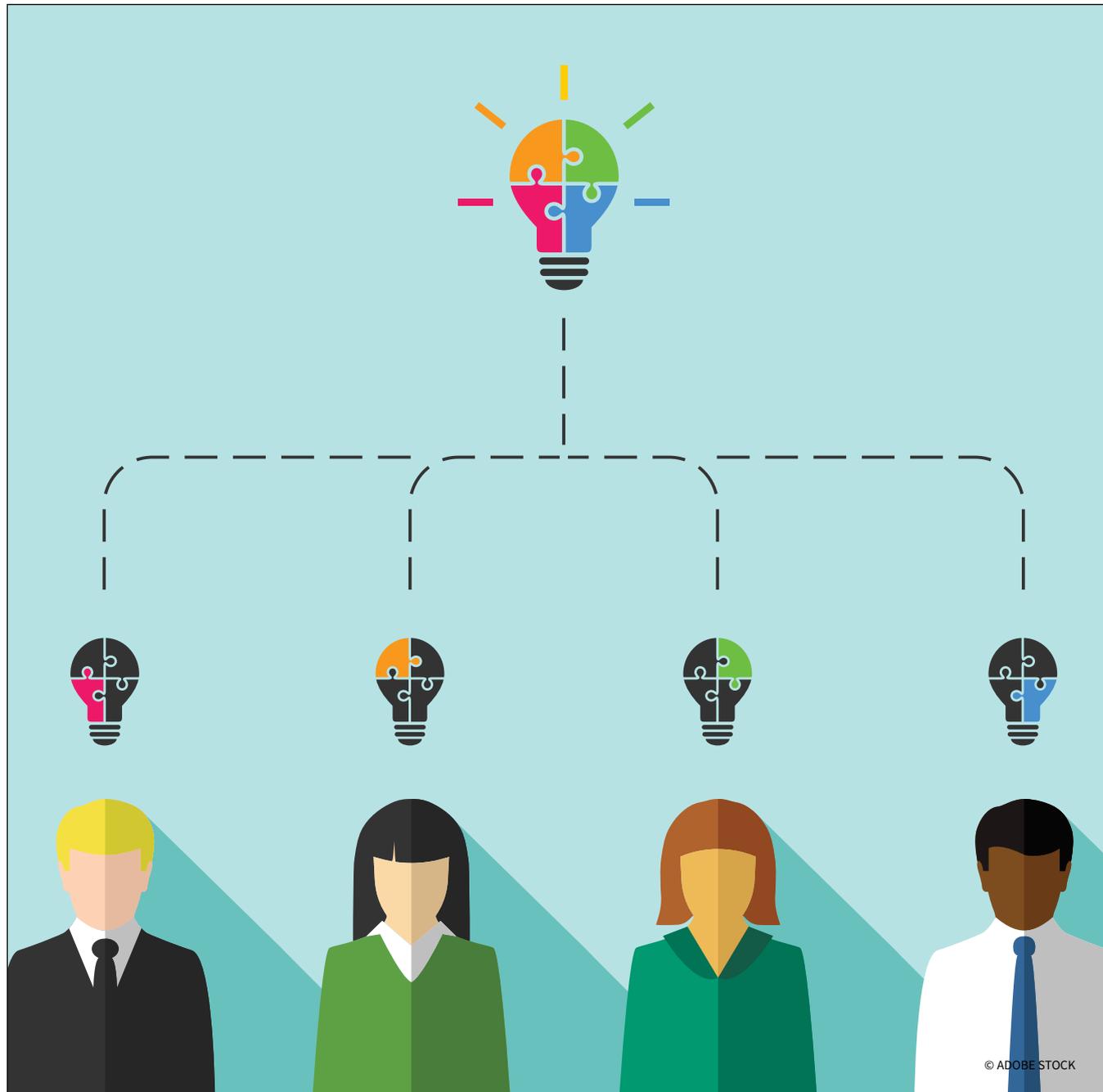
Here are a few job requirements from a recent posting for a Chief Inclusion and Diversity Officer by Utah Valley University:

- A demonstrated understanding of intersecting identities that include, but are not limited to, race, ethnicity, gender, sexual orientation, religion, disability, age, and socio-economic status.

- Proven ability to inspire and nurture a climate of inclusiveness, collegiality, shared responsibility, and shared accomplishment.

- Ability to work effectively with people at all levels of understanding of multicultural inclusion and non-discrimination.

- A profound belief in the transformative power of learning and the ability of all students to succeed.



## DIFFERENT (AND MORE) PERSPECTIVES

When people who are different than one another come together, they bring with them unique perspectives.

This creates more opportunities for new ideas to be created and shared. By diversifying your pool of job candidates and employees, you are also more likely to hire the best in the labor market as

you attempt to serve an increasingly diverse customer base.

## IT ENCOURAGES GROWTH

This includes the profes-

sional growth of employees and the overall growth of the company.

Employees are more likely to think critically and independently when you bring together people with differing

backgrounds and experiences.

Companies that encourage diversity inspire their employees to perform at their highest ability, solve problems and collaborate across business departments.

## INCREASED ADAPTABILITY

Groups of people with differing perspectives who come together for increased collaborative problem-solving also become highly adaptive — a coveted characteristic in our increasingly changing market.

Employees from diverse backgrounds bring individual talents and experiences that contribute to creating ideas that are flexible and broad reaching.

## STRENGTHENED MARKET POWER

Diversity inherently increases profits. How? Through marketing, operations and innovation.

Having a diverse workforce not only builds trust in your company, but it helps your company reach a diverse customer base.

Operation costs are also reduced from a decrease in turnover and legal fees. Happy, engaged employees who feel their perspective is valued are more likely to stay with their company.

# Create an Inclusive Environment

Understanding what diversity is and knowing the benefits it brings to all parties is a great first step.

But attempting to create an inclusive work environment — especially if you’ve realized you don’t currently work in one — can feel intimidating.

Where do you even begin? How do you know if you’re being successful? Here are just a few key areas to focus on.

## BE AN ACTIVE LEADER

While 67 percent of job seekers report that a diverse workforce is important when considering job offers, and 57 percent of employees believe their companies should be more diverse according to Glassdoor, the Society for Human Resource Management reports that 41 percent of managers state they are “too busy” to implement diversity initiatives.

Taking an active approach to diversity in your leadership helps to “show the way” and embed diversity goals in all levels of an organization.

## WATCH YOUR LANGUAGE

It is important to pay attention to the pronouns you use when discussing new position openings or ideal candidate qualities. Often times without realizing it, male pronouns become the standard.

By using pronouns such as



© ADOBE STOCK

them, they and their, you include not just women, but transgendered individuals who prefer not to associate with feminine or masculine pronouns.

## EXAMINE RECRUITMENT STRATEGIES

It is also just as important to

examine how you interact externally. Network to develop diverse relationships in your community and your industry.

Building a diverse company requires a significant amount of time and dedication. It is important that people view diversity as part of your company “brand.”

## ADDRESS CHALLENGES

An essential component of creating an inclusive work environment is recognizing and addressing any challenges or obstacles. These include barriers in communication and resistance to change that may arise.

Addressing challenges is

something that must be done on a continual basis, as diversity is something that is sustained. Without continuing “maintenance,” a well-cultivated diverse work environment will collapse.

In the words of Steven Covey, “Strength lies in differences, not in similarities.”

# The Gender Pay Gap

A gender pay gap exists: Men make more money than women. According to Pay Scale Human Capital's Gap Analysis report, a woman earns 76 cents for every dollar a man earns.

This statistic averages all men and women in the workforce — regardless of position. But the issue is more complicated than yearly salaries.

The disparity in salaries actually represents a larger, more compounded issue — women are less likely to hold high-level and high-paying jobs than men.

When factors like job similarity are considered, this pay gap — while it still exists — is significantly lower, with women earning 98 cents for every dollar earned by men.

So while the gender pay gap, as it is commonly understood, has shrunk significantly, it should be noted that men not only make more money than women, but are more likely to get to a position to do so.

Let's take a closer look.

## BY THE NUMBERS

- According to the New York Times' Glass Ceiling Index, there are fewer Fortune 500 CEOs who are women (4.1

percent) than those named David (4.5 percent) or John (5.3 percent).

- This is probably due to the fact that men are 85 percent more likely than women to be vice presidents or even C-Suite executives by the time they are midway through their careers, and 171 percent more likely to hold those positions late in their career.

- According to the Pew Research Center, 40 percent of people believe there is a double standard against hiring women — with both men

and women more likely to hire men over women.

- Additionally, men are 30 percent more likely than women to be promoted from

an entry-level position to manager, according to Women in the Workplace.

- A 2016 study conducted by Harvard and Princeton revealed that blind auditions increased the likelihood that a woman would be hired by up to 46 percent. This shows the extent to which how few women are considered in male-dominated fields.



# By the Books

**D**iversity pays. According to the Center for American Progress, businesses that embrace diversity in their workforce have a stronger footing in the marketplace.

In fact, the organization reports that the United States' national human capital increases as more women, racial minorities and LGBTQ individuals enter the workforce.

Here are a few statistics that underscore the importance of

encouraging diverse, inclusive workplace cultures:

- A study conducted by the McKinsey & Company Organization found that women's overall share of the labor in the United States increased from 37 percent to 47 percent over the past 40 years. This

has accounted for approximately 25 percent of the current GDP.

- So it shouldn't be surprising that a diverse workforce can gain a larger share of the consumer market. In fact, McKinsey & Company reports that for every 10 percent

increase in the rate of racial and ethnic diversity on senior executive teams, Earnings Before Interest and Taxes (or EBIT) rises 0.8 percent.

- A diverse workforce that is more inclusive for its employees also helps businesses avoid turnover costs.

- It has been proven that diversity fosters creativity, which is one of the many benefits of cultivating an inclusive atmosphere. This creativity translates into major earnings for businesses. Ethnically diverse companies are 35 percent more likely to outperform their respective national industry medians and gender diverse companies are 15 percent more likely to outper-

form their respective national industry medians, according to McKinsey & Company.

- Additionally, according to the American Sociological Review, companies reporting the highest levels of racial diversity in their organizations earn almost 15 times more sales revenue than those with the lowest levels of racial diversity.

Basically, when companies prioritize workplace diversity, it leads to increased sales and profits. As the American demographic becomes more diverse than ever before, these types of initiatives are critical to the health and sustainability of companies large and small.





# The State of Diversity

**T**he American workforce is more diverse than it has ever been. Your neighborhood and schools are most likely more ethnically diverse than previous years, and you probably work with others who are either much older or much younger than yourself.

As a nation, we've got a ways to go before truly earning our "melting pot" status, but current trends in diversity have shown great steps in this direction.

- The Pew Research Center estimates that the United States will no longer have any single ethnic or racial majorities by the year 2065.

- According to a United States Census Bureau 2015 report, Millennials are currently the largest generation in American history — and just over 44 percent ethnically self-classify as something other than white.

- Additionally, 83 percent of

Millennials are more actively engaged when they believe their company fosters an inclusive culture.

- This is great news, as they will comprise nearly 75 percent of the workforce in 10 years.

- For the first time in history, more than half of American children were classified as belonging to a minority ethnic group.

- By 2016, 43 percent of companies offer holidays that allow employees to take time off based on their religious or cultural beliefs.

- But while progress has been made, there is much room for improvement. For example, only five out of all

Fortune 500 companies had African American CEOs in 2015, according to a CNN report.

- And resumes submitted by people with African-American-sounding names are 14 percent less likely to get a call back than those with white-sounding names, according to a study conducted by the University of Wisconsin.

- Not even large, seemingly progressive companies are excluded from diversity issues. Google's global workforce, for example, is 70 percent male according to a Clear Company report. The company did announce, however, plans to invest \$150 million in workforce diversity initiatives.



© ADOBE STOCK

# Equal Employment Laws

**A**s an American worker, you have the right to work in a safe and considerate environment. There are many federal laws in place that exist to help enforce and sustain culturally tolerant and fair work environments.

The Equal Employment Opportunity Commission enforces the following laws:

#### **Title VII of the Civil Rights Act of 1964**

This law prohibits discrimination in employment based on race, ethnicity or sex. Employers are also required to accommodate (within reason)

the religious beliefs of any employee, unless doing so would impose an “undue hardship.”

Two areas specifically protected from sex discrimination are sexual harassment — including practices ranging from direct requests for sexual favors to workplace conditions that create a hostile environ-

ment — and pregnancy-based discrimination.

#### **Equal Pay Act of 1963**

This law prohibits employment discrimination based on sex. It specifically protects men and women who perform equal work of similar skill level, effort and responsibility for the same employer from earning unequal wages.

It is important to note that employers may not reduce wages of either sex to equalize pay between men and women.

#### **Age Discrimination in Employment Act of 1967**

This law prohibits employ-

ment discrimination against individuals who are 40 years of age or older.

This law also specifically prohibits any statements or specifications in job notices or advertisements speaking to age preferences or limitations, as well as any denial or reduction of benefits to older employees.

#### **Title I and Title V of the American with Disabilities Act of 1990**

This law prohibits employment discrimination against qualified individuals with disabilities both in the private

sector and in state and local governments.

A person with a disability under ADA is “a person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having a disability.”

#### **Sections 501 and 505 of the Rehabilitation Act of 1973**

This law prohibits discrimination against qualified individuals with disabilities who work for the federal government.