HOMOGENEITY: BEING THE SAME GETS YOU THE SAME

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THE CASE FOR DIVERSITY

- Larger Hiring Pool
- Different Perspectives
- Improved Productivity
- Increased Creativity
- Better Performance
- Reduced Employee Turnover
- Improved Organizational Image
- Increased Individual Insights

Source: Milton Campbell, Growth Tactics, Why is Diversity in the Workplace Important? 8 Benefits
SO WHY DOESN’T EVERYONE DO IT?

- Failure to align diversity practices with organizational goals;
- Mismatch between design of diversity policies and policy implementation;
- Vague about diversity goals/objectives;
- Blind replication of another organization’s DEI plan;
- Poor implementation;
- The homogenous employees see it as a disadvantage for them
WE’RE JUST FINE

The Brooklyn Dodgers were a competitive MLB team. From 1888 to 1941 they went to the World Series 5 times…and lost all 5 times to the NY Yankees.

In 1947 they added Jackie Robinson to the roster and again went to the World Series…and lost again. Robinson won Rookie of the Year.

They went to the World Series 6 times between 1947 and 1956, playing the Yankees each time. They won with Robinson only in 1955 with the addition of Don Newcombe and Roy Campanella (Robinson retired in 1956).
Workplace diversity key performance facts

- Ethnically and racially diverse companies are 35% more likely to outperform non-ethnically diverse companies.
- Gender-diverse companies are 15% more likely to outperform non-gender-diverse companies.
- Companies that rank lowest in gender and ethnic diversity are less likely to achieve above-average financial returns. This when compared to the average company in the data set.
- There is a significant and positive relation between diversity and earnings. In the United States, this relationship is clear-cut: every 10% increase in diversity leads to 0.8% increase in earnings.
- Meanwhile, UK most benefits from senior-level greater gender diversity. Every 10% increase in gender diversity increases earnings by 3.5%.
- There is no company that has both high gender diversity and ethnic and racial diversity.
WHAT YOU ARE MIS$ING

How ethnic diversity correlates with profitability

Likelihood of financial performance above national industry median by diversity quartile
Percent

Executive team
N=589

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<th>Ethnic/cultural</th>
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<th>1st</th>
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<tbody>
<tr>
<td>Profitability</td>
<td>44</td>
<td>50</td>
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Board of directors
N=493

<table>
<thead>
<tr>
<th>Ethnic/cultural</th>
<th>4th</th>
<th>1st</th>
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<tbody>
<tr>
<td>Profitability</td>
<td>41</td>
<td>50</td>
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1 Average economic profit margin 2011–15 and average EBIT margin 2011–15
NOTE: Results are statistically significant at p-value <0.5
SOURCE: Company websites, McKinsey Diversity Matters database
SO NOW WHAT…?

- Start with a self assessment: What’s your mission and what is the availability of talent you need?
- Assess your retention of your diverse staff and leadership. If you have high turnover, why?
- It’s not just staff, look at your leadership.
- **Do you have relationships with people and organizations that can help you ID talent?**
- Does your culture need to difference in thought? If so, how?
- Ensure your reward culture is not culturally biased
- Implement a welcoming on-boarding process
- Provide mentors/guides for onboarding new employees
- Black millennials more entrepreneurial than previous generations
QUESTIONS...??