

Diversity, Inclusion & Bias in the Workplace

Legal and Practical Guidelines for Today's Employers

October 2020

Today's Agenda

- Why diversity matters ... and why it doesn't go far enough
- What inclusion looks like in a high-functioning organization
- How unconscious bias can result in costly legal consequences — and how to help employees overcome their biases
- Three simple actions every employer should take now to get more value out of their diverse workforce

UNDERSTANDING DIVERSITY AND INCLUSION

Defining Diversity

- Diversity in the workplace means employing a wide range of people with meaningfully different backgrounds, experiences, characteristics and perspectives
- In some cases, the characteristics that contribute to diversity are identified as “protected” under federal, state and local laws
- These laws help protect employees from being treated differently based on characteristics that don’t affect work performance

Protected Characteristics

Legally protected characteristics include:

- Gender and gender identity
- Sexual orientation
- Race/color
- Ethnicity
- National origin
- Religion
- Pregnancy
- Disability — both mental and physical
- Age

Protected Characteristics (cont.)

Depending on your state, other protected characteristics could include things like:

- Marital status
- Weight
- Hairstyle
- Political affiliation

Protected Characteristics (cont.)

These legally protected characteristics are not the only meaningful differences that contribute to a diverse workplace. Others could include:

- The generation we were born into
- Our education level
- The places we've lived in
- The languages we speak
- Individual personality traits
- Whether we are left-handed or right-handed

Defining Inclusion

- Inclusion is the act of deliberately engaging employees from underrepresented groups for the benefit of all employees, as well as the organization
- The goal is to ensure that everyone, regardless of their differences, feels included
- Creating a truly inclusive workplace requires acceptance and making every employee feel like they belong and are respected

Benefits of Diversity

McKinsey & Company has been studying the impact of diversity on business performance since 2014. This ongoing study looks at the impact of diverse executive teams on financial results. Recent findings showed that:

- Companies in the top 25% for *ethnic* diversity were 36% more likely to perform better than their industry average
- Companies in the top 25% for *gender* diversity were 25% more likely to have better-than-average performance for their industry

Benefits of Diversity (cont.)

A Credit Suisse study found that large businesses with women on the board outperformed male-only boards. Boards including women were found to have:

- Higher ROEs
- Lower debt-to-equity ratios
- Higher price/book value
- Higher average net income growth

Benefits of Diversity

Researchers from Columbia, MIT, University of Texas-Dallas, Northwestern, and a few other universities, studied stock picking by ethnically homogeneous and diverse groups. Findings include:

- More diverse teams made more accurate pricing decisions, leading to fewer bubbles in the market
- Their picks were 58% better than the stock market picks of the homogeneous groups

Benefits of Diversity (cont.)

A workplace that makes a deliberate effort to engage all different types of employees in idea generation and problem-solving typically benefits from:

- More productive and satisfied employees
- Better decision-making
- Higher employee retention
- Lower turnover costs
- Increased customer satisfaction

WHY INCLUSION MATTERS

Importance of Inclusion

- Diversity is not enough without inclusion
- You won't get the benefits without fostering an inclusive environment
- Without inclusion, companies may fail to leverage their diverse talent pool and incorporate various perspectives resulting in less successful outcomes
- Inclusion involves bringing diverse groups together and using these diverse resources to benefit the company
- Different backgrounds, ideas and experiences should be leveraged to create business value

Encouraging Inclusivity

- Lead by example on diversity and inclusion initiatives
- Don't assume you know how someone feels
- Stop harmful language or behavior immediately
- Foster an environment where employees feel free to express themselves

Encouraging Inclusivity (cont.)

- Invite all team members to share their opinions in meetings
- Encourage employees to discuss company issues and share ideas
- Rethink your definition of “cultural fit”
- Uncover and promote individual worker strengths

Encouraging Inclusivity (cont.)

- Develop diversity-friendly policies
- Create teams comprised of a variety of individuals with a variety of backgrounds
- Introduce mentorship programs
- Feature photos and quotes of diverse people on company materials and websites
- Consider a volunteer event serving the needs of an underrepresented segment of the population

Encouraging Inclusivity (cont.)

For remote workers:

- Give them ample opportunities to share how they're feeling and how they're doing
- Encourage team members to check in on each other
- Facilitate virtual team-building activities
- Schedule online social hours to help people stay connected

ADDING EQUITY TO THE EQUATION

Addressing Equity

- With equality, we treat everyone the same
- With equity, we focus on individual needs
- Equity refers to fairness and equality in outcomes, not just in support and opportunity
- Differences exist in a diverse workplace, and people need to be supported in different ways
- Equity allows us to recognize that everyone has different needs and experiences

Achieving Equity

Achieving equity requires action to correct the advantages enjoyed by some employees and not others

- Ensure everyone has access to the same opportunities
- Assign tasks thoughtfully, making sure everyone has a chance to shine
- Review policies to ensure equality when it comes to rewards based on merit and work
- Consider special equipment and training opportunities
- Conduct a pay equity audit

MANAGING UNCONSCIOUS BIAS

Understanding Unconscious Bias

- Unconscious bias is the very human tendency to make quick judgments about other people without even realizing we're doing it
- Unconscious biases toward other people can be based on social norms and stereotypes and on our own personal life experiences
- The judgments we make based on our biases can happen so quickly that we aren't even aware of them
- It's important to understand that we all have unconscious biases that directly affect our behavior

Types of Unconscious Bias

- **Gender bias:** This involves having either a positive or negative perception of an individual based on their gender
- **Affinity bias:** This is the tendency to gravitate toward people who are similar to us in some way
- **Beauty bias:** This is the tendency to gravitate toward people we find attractive
- **Cultural bias:** This is the tendency to judge the world on a narrow view of your own culture, or your perceptions of other cultures
- **Confirmation bias:** This bias causes us to give more attention to information that reinforces what we already believe, and to filter out information that conflicts with those beliefs

Types of Unconscious Bias (cont.)

- **Halo bias:** This is the tendency to allow a single positive experience or impression of a person to affect your overall judgment
- **Horns bias:** The opposite of halo bias, horns bias is allowing one negative experience, or impression, to cause you to have a negative overall impression of the person
- **Contrast bias:** This is the tendency to judge someone by comparing them to someone else
- **Proximity bias:** This is the tendency to show preference to someone due to their physical proximity
- **Conformity bias:** This can cause us to go along with what others are saying or doing, even if we don't agree (i.e., "groupthink")

Unconscious Bias & Discrimination

Unconscious bias can lead to discrimination

- An older job candidate is told “he doesn’t fit the culture”
- Candidates with ethnic-sounding names are placed in the “no” pile
- A female employee is disciplined for being “too aggressive” in meetings
- A supervisor ignores the skills and experience of a candidate during a promotion round and appoints an equally qualified — yet more attractive — candidate
- An on-site employee is rewarded over a telecommuter

3 STEPS TO GETTING MORE FROM YOUR DIVERSE WORKFORCE

Step 1: Make Unconscious Bias Conscious

- You can't get rid of them, but awareness is the first step toward overcoming them
- Recognize your own, and help employees recognize theirs
- Focus diversity training on unconscious bias

Step 2: Audit Internal Processes

Next, audit internal processes to identify and correct systemic biases

- Job descriptions
- Resume screening practices (e.g., “blind” resume reviews)
- Pay and promotions
- Discipline

Step 3: Be More Equitable

- Look for opportunities to be more “equitable” versus “equal”
- Seek ways to help underrepresented groups
- Make sure all employees have access to opportunities
- Establish mentorship and training programs
- Examine incentives, rewards and other policies
- Ensure leadership has diverse representation

Solutions to Protect Your Business



- “Diversity & Inclusion at Work” Training Presentation in HTML5 or LMS (SCORM 2004 & AICC) formats
- Training Acknowledgment Form (Fill-and-Save PDF)
- Viewing time is approximately 45 minutes.
- System requirements:
 - HTML5 version requires up-to-date web browser.
 - LMS version includes *both* SCORM 2004 and AICC files for easy upload to most commercial learning management system.

- Laminated for durability and easy clean-up
- Size: 10” x 14”
- Available with a choice of message – 4 phrases to choose from:
 - *Differences Make Us Human. Respect Makes Us a Team*
 - *We Stand Together Against Discrimination*
 - *Diversity Makes Us Stronger*
 - *Respect Diversity - Embrace Unity*

Available individually or as a pack of 3 (of the same design)

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Thank You!

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