

# Unbound Ideas

Presents

## **10 Challenges That Keep HR and Diversity Professionals Up at Night**

***With Dr. Shirley Davis***

**Tuesday, July 13, 2010**

1:00 p.m. – 2:30 p.m. Eastern  
12:00 Noon – 1:30 p.m. Central  
11:00 a.m. – 12:30 p.m. Mountain  
10:00 a.m. – 11:30 a.m. Pacific

**Moderator:**  
Eric Peterson



July 12, 2010

Dear Attendee,

Unbound Ideas is pleased to have you join us in welcoming influential thinker, Dr. Shirley Davis.

In this packet, you'll find the presentation slides that Shirley asked us to forward to you in advance. The slides only include those you are intended to see before hand, and the full presentation may be more extensive and contain elements not in this package.

After the live event, we will also be forwarding to you some additional resources provided by Dr. Davis.

Thank you in advance for joining us. We are looking forward to an informative and productive session.

Sincerely,  
Unbound Ideas

# Ten Challenges that Keep HR and Diversity Professionals up at Night

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Director, Diversity & Inclusion Initiatives  
Society for Human Resource Management

July 2010



## Question 1:

# What's Keeping You Up At Night About Diversity and Inclusion?

*Please provide your thoughts using the LiveMeeting Q&A feature.*

# Ten Challenges that Keep HR and Diversity Professionals Up at Night

1. Becoming more strategic and less transactional
2. Aligning with key business objectives
3. Recruiting top talent and building a pipeline with leadership capability
4. Establishing an inclusive culture
5. The changing global landscape of Diversity & Inclusion
6. Globalization
7. Practitioner's skills, competencies, and personal well-being
8. Health care
9. Religion and spirituality
10. Legal risks and reputation

# 1. Becoming More Strategic and Less Transactional

- ❑ HR/Diversity professionals report that they spend most of their time on administrative transactions, tactics, and putting out fires.
- ❑ Very little time spent on being strategic
- ❑ Being more strategic means “anticipating change and putting systems in place to rapidly align employee behaviors with evolving organizational needs.”
- ❑ In a 2008 PWC survey only 43 per cent of more than 1,100 CEOs globally in the agree that their HR function is equipped to handle changes required to compete for talent.
- ❑ Stop asking for a seat at the table. When HR and Diversity strategies are aligned with business objectives and enabling business success, a seat will be earned.

## 2. Aligning with Key Business Objectives

- ❑ CEO and senior leader engagement is critical to the sustained success of HR/Diversity initiatives.
- ❑ What are your organization's Top 3 Business objectives?
- ❑ What is keeping your CEO up at night?
- ❑ In order to align with key business objectives, we need to:
  - Clearly articulate the organization's key business objectives
  - Clearly articulate the business case/strategy for diversity and inclusion
  - Ensure alignment
  - Fully integrate HR/Diversity initiatives in every part of the business
  - Communicate up/down/across/out
  - Measure/report meaningful business outcomes

## 2. Aligning with Key Business Objectives

### Examples of what can show an impact on the bottom line:

- Increased efficiency (due to better recruiting processes, new technology in HR, advertising / marketing)
- Cost per hire (decreases)
- Cost savings
  - increased retention; decreases in health care costs due to wellness programs instituted
  - new hire ramping up time/learning curve is cut by xx days or weeks
  - e-learning solution vs. classroom; new vendor benefits
- Product improvement/development
- Increased quality scores on customer service (due to training).

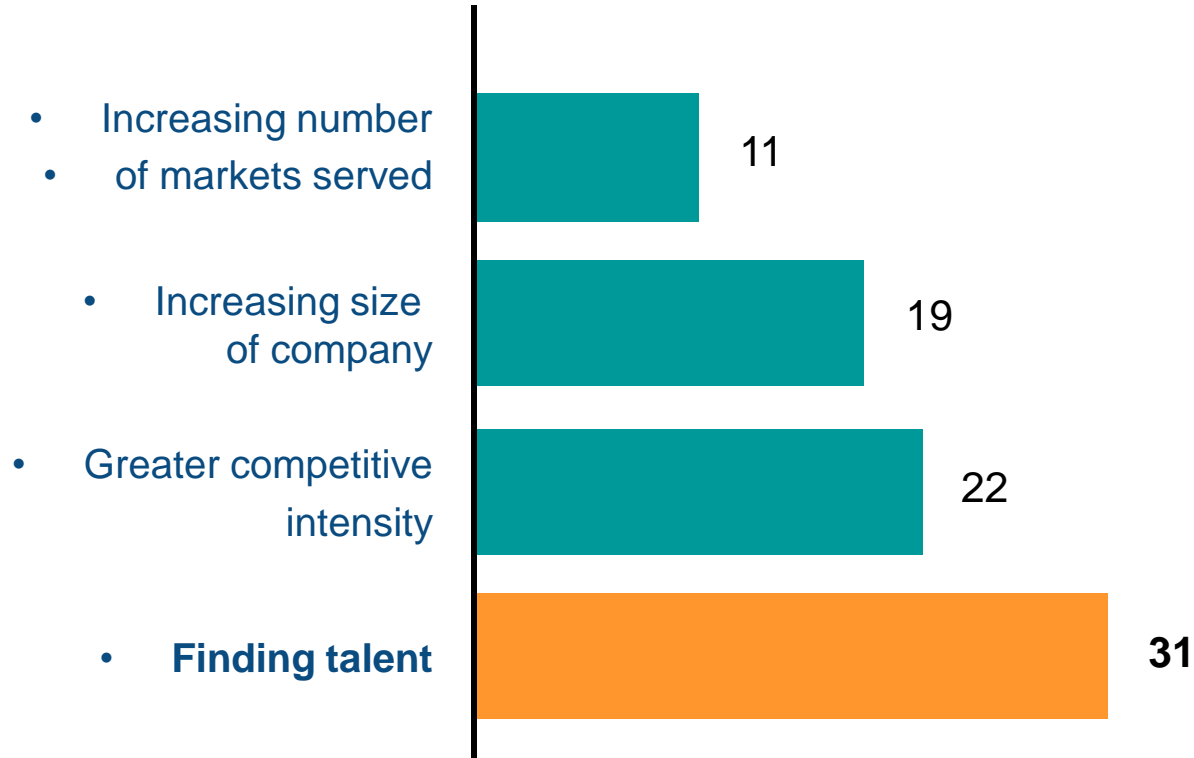
## Question 2:

What do you Think is the Most Important  
Management Challenge Facing  
Business Executives in the Next 5 Years

*Please provide your thoughts using the LiveMeeting Q&A feature.*

### 3. Recruiting Top Talent & Building a Pipeline with Leadership Capabilities

**Finding talent is seen as the most important management challenge facing business executives in the next 5 years**



Source: McKinsey & Company

### 3. Recruiting Top Talent & Building a Pipeline with Leadership Capabilities

**External Environment: Demographic shifts place greater complexities and higher demands on recruiting.**

- According to Bureau of Labor Statistics, there are 76.9 million Baby Boomers in the US workforce.
  - Accounts for more than 50% of the workforce
  - Every day 10,000 Baby Boomers turn 55 years old
  - With Baby Boomer retirements, loss of executives and experienced workers
  - Impact to pension plans and retiree health costs
  - Employees are stretched with care of children/parents
  
- For every 2 experienced workers leaving, 1 inexperienced worker replaces them.

### 3. Recruiting Top Talent & Building a Pipeline with Leadership Capabilities

**External Environment: Demographic shifts place greater complexities and higher demands on recruiting.**

- ❑ For the first time, we have the largest number of all four generations in the workplace than we've ever had.
- ❑ Women and minorities now represent 70% of new labor force entrants.
- ❑ The Hispanic population has nearly doubled since 1990 (the largest growing segment of our population).
- ❑ Estimated that 1 in 3 people has a disability
- ❑ Growth in number of employees whom English is a second language
- ❑ Increase in religious diversity

## 3. Recruiting Top Talent & Building a Pipeline with Leadership Capabilities

### Internal Environment

- ❑ Building leadership capability starts with creating a culture that makes employees want to stay
  - ❑ Ensuring that all employees have full and equal access to opportunities
  - ❑ Implementing leading-edge talent management programs such as:
    - ❑ Mentoring
    - ❑ Cross-functional development assignments
    - ❑ Job rotations
    - ❑ Special assignments
    - ❑ Career pathing
    - ❑ Skills inventories
    - ❑ Succession planning
      - 55% of employers already doing succession planning

**At SHRM, Inclusion is .....**

**.... the achievement of a work environment in which all individuals are treated fairly and respectfully; have equal access to opportunities and resources; and can contribute fully toward an organization's success.**

***Diversity is the mix. Inclusion is getting the mix to work well together.***



**When an employee perceives that a company and its leadership are committed to a diverse and fair workplace, they are:**

- More likely to stay with that company
- More likely to recommend their company to others
- Less likely to have experienced discrimination
- Less likely to have missed days at work
- More engaged in their work

*From Civil Rights in the Workplace 2005 Survey; Conducted by the Gallup Organization*

- Each year, more than 2 million people voluntarily leave organizations due to perceived unfairness (jokes, unfair policies, perceived invisibility).
- This trend costs U.S. corporations \$64 billion each year.

## 5. The Changing Global Landscape of Diversity & Inclusion

- Traditionally, Diversity & Inclusion efforts in the United States have focused on race & gender.
- We have not solved the underlying issues that lead to race-based and gender-based discrimination.
- AND, the field of Diversity & Inclusion encompasses a number of other social identities, including:
  - ✓ Physical ability
  - ✓ Generation
  - ✓ Sexual Orientation
  - ✓ Religion
  - ✓ National Origin
  - ✓ Health Status (including HIV)
  - ✓ Veterans' Status
  - ✓ Socio-economic Background
  - ✓ Gender Identity
  - ✓ Body Type/Body Size
  - ✓ Personality/Thinking Style

## 5. The Changing Global Landscape of Diversity & Inclusion



# 5. The Changing Global Landscape of Diversity & Inclusion

**SHRM defines “Diversity” as the collective mixture of differences and similarities that includes for example, individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviors. A few examples include:**



- ❑ Globalization is becoming synonymous with organizational competitiveness and sustainability.
- ❑ **57%** of HR professionals say global competition for jobs, markets, and talent will have a major impact on the workplace (Source: SHRM 2008-2009 Workplace Forecast)
- ❑ **55%** of CEOs say their organizations are planning to do business outside of the U.S. (Source: PriceWaterhouse Coopers 2006 Global CEO Survey)
- ❑ By 2015, **75%** of the world's new workers will be from Asia. Just 3% will be from North America and Europe.

- ❑ Diversity has different meanings and different challenges in different countries. For example:
  - ✓ In the U.S. diversity has been connected with issues of human rights and civil liberties.
  - ✓ In Europe, diversity has been associated with language and cultural heritage.
  - ✓ In Latin American countries, the diversity dialogue focuses on innate dignity of individuals.
  - ✓ In Asian societies, diversity is interpreted as collective accountabilities.
- ❑ HR practitioners will need to develop a sophisticated knowledge of global business operations and fluency with strategic issues related to international expansion.
- ❑ The success of an organization's globalization efforts is dependent upon its ability to understand the people, laws, practices, history and cultural norms of the countries where it operates.

## 7. The Practitioner's Skills, Competencies, and Well-Being

**Effective practitioners typically have several roles and/or wear many hats.**

For example:

- ✓ Firefighter
- ✓ Coach
- ✓ Legal Analyst
- ✓ Sales Rep
- ✓ Detective
- ✓ Teacher
- ✓ Mediator
- ✓ Hall Monitor
- ✓ Reporter
- ✓ Politician

- ❑ We must manage our own stress while helping our organizations become stress-less.
- ❑ Similarly, Diversity practitioners express “Diversity Fatigue.”
- ❑ Practitioners must hone existing skills and develop new ones.
- ❑ Our role as practitioners continues to evolve and become more expansive and complex.

- **Six high level HR competencies identified by the 2007 Human Resource Competency Study:**
  - Credible Activist
  - Cultural Steward
  - Talent Manager/Organizational Designer
  - Strategy Architect
  - Business Ally
  - Operational Executor

## 7. The Practitioner's Skills, Competencies, and Well-Being

The Society for Human Resource Management has identified over 100 competencies<sup>1</sup> for the Diversity & Inclusion Practitioner, but they generally fall into three main categories<sup>2</sup>:

- ❑ The Diversity Practitioner as Consultant
- ❑ The Diversity Practitioner as Change Agent
- ❑ The Diversity Practitioner as Strategic Business Partner

Sources: 1. *SHRM Diversity Practice Analysis, 2008*; 2. *The Diversity Practitioner of the 21<sup>st</sup> Century, 2010*

## Question 3:

What was the average health care cost per employee estimated to be in 2009 ?

*Please provide your thoughts using the LiveMeeting Q&A feature.*

- ❑ In 2010, a controversial health care bill passed in the US Congress – the first major health care legislation to do so since the Lyndon B. Johnson administration.
- ❑ Many HR professionals have questions about how the new law will impact their roles
  - ✓ Affordability
  - ✓ Accessibility
  - ✓ Treatment/Services
  - ✓ Quality of Care
  - ✓ Accountability



In the presence of these trends, it is especially important to:

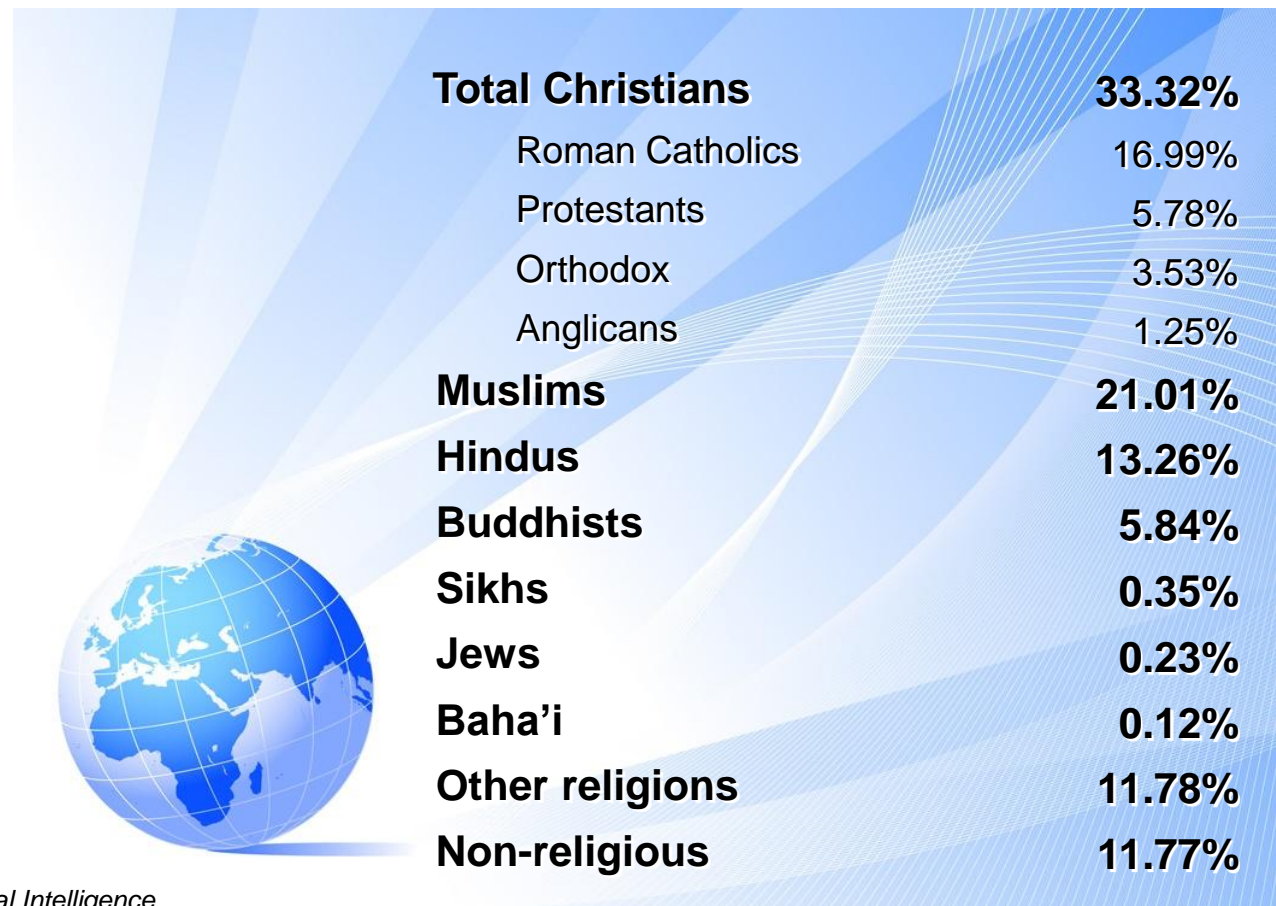
- Highlight the need for fairness and equality in health-care provisions regardless of cultural background.
- Offer flexibility so employees may customize their coverage to their needs.
- Ensure that programs and services are communicated and provided in a culturally-sensitive manner.
- Consider providing for alternate care approaches to match a wider range of culturally-based preferences.

### Wellness programs:

- ❑ #1 cost-control strategy of large employers
- ❑ 72% of large U.S. employers offered health risk assessments in 2007 (*source: Watson Wyatt*)
- ❑ Focused on improving employee health in 5 areas:
  1. blood pressure
  2. cholesterol
  3. tobacco use
  4. weight control
  5. exercise
- ❑ Another big focus is on Stress Management.

- ❑ Religion and spirituality are about a personal set or institutionalized system of religious attitudes, beliefs, and practices.
- ❑ “Conversation” about religion and spirituality, and faith is increasing in the workplace.
- ❑ Religion has been a protected category since the passage of the Civil Rights Act of 1964, but complaints of religious discrimination are on the rise.
- ❑ In FY 2009, a total of 3,346 religion-based charge filings were collected by the EEOC. Ten years before, the figure was 1,811.
- ❑ HR/D&I professionals routinely address issues such as holidays, food, prayers, complaints, and affinity groups.

**In 2007, Islam continued to grow and now represents 21% of the world's population.**



Source: 2010 World Factbook, U.S. Central Intelligence Agency (2007 estimate)

What's the significance of this figure?

**\$2.3 billion....**

**This is the amount that race and gender discrimination lawsuits cost U.S. corporations in settlements alone over the past 10 years**

**not including attorney fees, decreased market capitalization and other costs.**

- Over the past 10 years, major race and gender discrimination lawsuits cost U.S. corporations **\$2.3 billion** in settlements alone.
- In FY 2009, there were almost **93,277** claims filed, including:
  - ✓ 33,579 race discrimination claims
  - ✓ 28,028 sex discrimination claims
  - ✓ 21,451 disability discrimination claims
  - ✓ 22,778 age discrimination claims
  - ✓ 3,346 religion discrimination claims
- What's the impact to the organization?

What can we do:

- Develop solid working relationships with the CEO, General Counsel and senior leaders in the organization.
- Be proactive in establishing fair, consistent and inclusive policies, practices, and programs.
- Ensure representation at all levels in the organization.
- Respond to employee complaints/concerns in a timely manner.
- Leverage tools that will provide insight into the heart of the culture of the organization.

1. Focus on more strategic priorities and minimize the time spent on transactional work.
2. Spend time with senior leadership and line managers learning the business.
3. Know your organization's top 3 business objectives and be able to articulate how your initiative aligns with and enables them to achieve them.
4. Speak in terms of business results; not just HR outcomes; Articulate the value that your efforts add to the bottom line.
5. Build your diversity recruitment strategy based on changing demographics, business needs, a more global workforce/marketplace, and anticipated shifts in the political and economic systems.
  - It needs to be in lock step with your retention, development, communication, branding, marketing, and CSR strategies.
  - Ensure that your culture is inclusive (welcoming, respectful, fair) and engaging.

# Recap of Strategies, Best Practices and Tips

6. Take a disciplined systems approach to building cultural change (e.g., gaining commitment from top down and bottom up; accountability; and integration)
7. Expand your vision of what “diversity” means in the U.S. workplace and address the new reality of globalization.
  - Design a global framework that takes into account the country’s people, laws, practices, history, and culture
8. Grow and develop new/existing skills and competencies that enable us to effectively lead in the 21<sup>st</sup> century.
9. Design and implement health care plans, programs, and policies that will accommodate the needs, values, and cultural norms of a more diverse workforce (especially the aging and people with disabilities).
10. Be proactive, collaborative, and consistent in your policies/practices and in building relationships across the organization to ensure that you minimize/mitigate legal risks and reputational damage to the organization.

## SHRM 2010 Diversity and Inclusion Conference & Exposition October 11-13 in New Orleans, LA *featuring ...*



**Ted Childs**



**Alma Morales Riojas**



**Howard Ross**



**Dr. Quinetta  
Roberson**



**Tuesday night entertainment  
featuring Sinbad**

# Questions/Comments



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