

I Wish I Had Done More - Diversity and Inclusion in the Workplace

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Abstract

Minnesota technology companies stand to benefit from more diverse and inclusive workplaces when considering i) that there are positive correlations between workplace diversity and financial performance, and ii) the combination of Minnesota's rapidly shifting demographics and projected workforce shortages. Our survey data of past and present ACE Leadership Program participants indicate that while MHTA member companies have corporate initiatives to address diversity and inclusion, the participants surveyed do not necessarily feel enabled or equipped to carry out this mission in their daily professional lives. Our proposal to remedy this apparent gap is twofold. First, we propose that the MHTA devote one session of the ACE Leadership Program to diversity and inclusion. Second, we propose that the MHTA host a panel on diversity and inclusion at the MHTA Spring Conference. We have identified potential partners (individuals and organizations) to assist with both of these efforts.

Introduction

It should be no surprise that many leading technology companies aim to cultivate more diverse and inclusive workplaces. After all, multiple studies have identified positive correlations between diversity and financial performance (e.g., earnings, profitability, and value creation) [McKinsey and Company 2015, 2017]. That is, moral obligation or social responsibility aside, diversity means dollars. At the same time, technology companies in Minnesota are facing distinct challenges with regard to attracting and retaining talent, especially when considering rapidly shifting demographics and the education-and-skills disparities between various socioeconomic groups [Greater Metropolitan Workforce Council]. These and other stressors are leading some industry experts to project Greater Minnesota workforce shortages in excess of 200,000 by 2025 [[RealTime Talent](#)]. Initiatives directed at increasing diversity could thus provide Minnesota technology companies multiple benefits. Not only can these efforts create the types of professional environments that have been so strongly tied to financial success, but they could also address the impending workforce shortage by ensuring that companies have the means to identify, attract, and retain the widest possible talent pool.

This seems straightforward enough, not only to us, but to the companies we work for. In fact, when polling near 100 past and present ACE Leadership Program participants, an overwhelming majority of respondents indicated that their organization had a workplace diversity program. Moreover, 94% of those polled either “agreed” or “somewhat agreed” that they had a moral obligation to increase diversity and inclusion in the workplace. This is great news! Not only are the future leaders of the local technology industry aware of corporate diversity and inclusion initiatives, but they also believe it is the “right” thing to do. However, our own anecdotal experiences told us that while these corporate initiatives exist they do not necessarily equip us with the tools needed in our daily professional lives to carry out their mission. For example, during the hiring process we feel that visibility into the candidate pool or hiring process is often obscured, either from department siloing or time pressure to fill the position. Additionally, we are not always provided with the objective evidence that can refute often repeated (and erroneous) criticism of some diversity and inclusion initiatives. By and large our poll respondents agreed. For example, when asked if they were provided with tools to find a diverse set of candidates during the hiring process only 26% agreed.

So, where do we stand? Diversity, by almost any measure (e.g., gender, cultural, LGBTQ+, age/generation, international experience) is positively correlated to financial performance. Moreover, local companies stand to benefit from continued investment in diversity and inclusion initiatives in part due to the unique workforce challenges facing the region. However, while local technology companies are applying top-down strategies to address these issues, the recognized future leaders within these very companies do not feel equipped to do the same from the bottom-up. In response, our recommendation to the Minnesota High Tech Association is twofold. First, we propose that the MHTA devote one session of the ACE Leadership Program to diversity and inclusion. More specifically, we ask that the MHTA partner with local experts to provide practical advice, tools, and strategies for promoting, fostering, and prioritizing diversity and inclusion from the bottom-up. Second, we propose that the MHTA use their Spring Conference to host a panel on diversity and inclusion. This can provide local technology leaders an opportunity to share perspectives on the efficacy of various initiatives in the context of the local business environment. We believe that these two initiatives will have near-term and lasting benefits, especially as ACE Leadership Program participants advance in their careers.

Methodology

The process by which we identified this problem, collected information, made contacts, and ultimately developed a proposed solution largely felt natural to us. Throughout the project we continued to have honest, open conversations about our own experiences with diversity and inclusion initiatives. The project evolved from there. However, upon reflection, we realized that the team leveraged several of the principles of Design Thinking as throughout this project. For example, it was empathy that connected us as we began to appreciate the challenges that several of us had faced, whether it be microaggressions related to our

gender, age, race, etc., or the difficulty to be “true to the mission” throughout the hiring process (not just checking a box). Furthermore, our survey results led to the realization of a shared experience across an even broader set of people and perspectives (more details below). Once we were able to see these common experiences for what they were, we focused on articulating the pain points to define (and redefine) our project scope. This was an iterative process through which we continued to challenge ourselves and others on our base assumptions, especially as new data from our research entered the fold. Thus, our recommendations are rooted in this iterative, non-linear process of creative thinking.

Despite the near universal agreement within our group on the aforementioned challenges we face as first- and mid-level managers, we wanted to make sure that our experiences were not unique. We solicited input from past and present ACE Leadership Program participants in the form of a ten question poll. The collected responses largely met our expectations. As mentioned above, an overwhelming majority of respondents indicated that their organization had a workplace diversity program. However, the point of concern is that despite these corporate, top-down initiatives, most indicated that they did not have direct control over implementation. Again, as an example, when asked if they were provided with tools to find a diverse set of candidates during the hiring process only 26% agreed. We believe the results of this poll add merit to our proposal. The constituent member companies of the MHTA have identified future technology leaders. These are the very employees that should be equipped to promote diversity and inclusion initiatives. Not only should this provide immediate returns as they deploy these tools in the current roles, but the return could be far greater as they continue to apply these methods as they advance in their careers.

The Case For Diversity

In the years since equal opportunity employment legislation became central to corporate hiring, promotion, and tenure, it is often (wrongly) assumed that diversity in the workplace is a given. While these laws undeniably promoted equal opportunity to protected classes, one could argue some companies have not necessarily embraced the spirit of this legislation, instead fulfilling only the minimum requirements (i.e., checking the box). Hence, the risk here is that equal opportunity employment (or relatedly, affirmative action) becomes tokenism, thereby suggesting that the true meaning of diversity and inclusion and its many benefits is not well-understood. In a 2017 report [Women in the Workplace, McKinsey & Company, 2017] focus was given specifically to gender diversity. Data from the study provided a clear indication that inequality is evident at the very beginning of one’s career with fewer women than men being hired at entry level despite representing 57% of college graduates. The data become more compelling when considering higher level positions within corporate America. For example, women represent only one in five C-Suite leaders. Moreover, only one in thirty of these women are of color. Though the data tell a convincing story, the perception of some of our own coworkers is that women are well represented in the workforce. Furthermore, many overlook the challenges that specifically women of color face in advancement in their

careers. Though most businesses are aware of and actively engaged in programs that support Corporate Social Responsibility (CSR), the proportion of CSR funds assigned to programs aimed at correcting gender imbalance is minimal (roughly 5% of CSR budgets according to a follow-on study). Furthermore, less than 0.1% of funds are directed to programs that are designed to remove barriers that keep women of color from pursuing technical careers [McKinsey & Company, 2018]. Fundamentally, we have become complacent and confident that the status quo is good enough.

Many of us acknowledge that diversity in our personal lives enriches our life experience; we adorn our homes with items from across the globe; we eat Thai, Italian, Indian and Mexican food. However, it does not always appear that a similar sentiment exists in the workplace. Does diversity help us achieve our goals in the workplace? What are the benefits of a diverse workforce? Can those benefits be directly correlated to a positive financial outcome? Multiple studies have shown that increasing diversity in leadership teams does indeed lead to more and better innovation as well as improved financial returns. This conclusion is not drawn from anecdotal evidence, but rather from analysis of data from over 300 companies where there existed a statistically significant connection between diversity and financial performance [McKinsey & Company, 2015]. Similarly, a more recent study performed by the Boston Consulting Group quoted a 19% increase in revenue due to innovation associated with a more diverse workplace [Boston Consulting Group, 2018]. In contrast, those companies lacking in diversity exhibited significantly worse financial performance when compared to their peers. Many of these studies also suggest correlations between workforce diversity and the breadth of the talent pool a company can attract and retain. For this reason, we also believe that promotion of diversity and inclusion will increase the candidate pool in the face of a rapidly evolving regional demographic. In response, we detail two proposals that we believe will lead to significant and continued positive impact to MHTA member companies.

Recommendations

Proposal 1: We propose that the MHTA devote one session of the ACE Leadership Program to diversity and inclusion. We are looking for the MHTA to partner with one or two "session leads" that could provide practical advice, tools, and strategies for promoting, fostering, and prioritizing diversity in the workforce from the bottom up. It is our hope that these methods would be largely applicable independent of the top-down, corporate diversity initiatives that each participant's respective company may (or may not) be promoting. The goals of this session are threefold. First, we would look to equip participants with key pieces of information that justify and/or rationalize the effort in promote, foster, and prioritize diversity in the workforce, thereby equipping them with a means to refute often repeated (and erroneous) criticism of diversity and inclusion initiatives. Second, we would want to introduce participants to established networks, e.g., Society of Women Engineers or National Society of Black Engineers, thus providing participants key points of contact that can be leveraged in their future endeavors. Third, we want to provide best practices in day-to-

day activities (drafting job applications, interviewing, hiring, running meetings, facilitating discussion, etc.). Our future leaders have both moral and fiscal interest in ensuring that their businesses are as diverse and inclusive as the communities they support. The MHTA, through the ACE Leadership Program, is well-suited to provide the necessary skills and tools to future Greater Minnesota technology leaders to meet these interests.

Proposal 2: We propose that MHTA use their Spring Conference to host a panel on diversity and inclusion. This would provide local technology leaders an opportunity to reflect and share what initiatives are and are not working, and the return on these investments. Effectively, this can become a live case study of diversity and inclusion efforts in the context of our region, something that would not only vastly improve the gap in collaboration that currently exists between Minnesota technology companies, but also fulfill one of the best practices around diversity and inclusion, i.e., the connection of companies and sharing of ideas [McKinsey and Company].

Potential partnerships: We have started to identify and develop relationships with potential leads, including the University of Minnesota's Office of Equity and Diversity, the Greater Metro Workforce Council, and Jamf.

The University of Minnesota's Office of Equity and Diversity (OED) appears to be particularly well equipped to facilitate a session of the ACE Leadership Program, especially given that they have already developed an Equity and Diversity Certificate that, in their words "helps participants develop [the] tools necessary for advancing equity and diversity in all aspects of their personal and professional lives". Of particular note are the workshops "My Role in Equity & Diversity Work" and "Addressing Implicit Bias and Microaggressions" considering they each focus on developing an individual's capacity to create a more diverse and inclusive environment.

Andrea Ferstan is an Executive Director at the *Greater Metro Area Workforce (and Center for Economic Inclusion)*. As a leader in education and workforce development, Andrea could detail the impacts diversity and inclusion on the looming workforce shortage in Greater Minnesota. Andrea has indicated that she would be happy to participate as a member of a Diversity Panel at the MHTA Spring Conference.

Jamf is a local technology company that provides software solutions for managing Apple products. They have an intense focus on diversity and inclusion in their workplace and have a bottom-up approach to raising awareness throughout their organization. They are willing to commit to providing someone from their Diversity and Inclusion Team to sit on a Diversity Panel at the MHTA Spring Conference.

Conclusion

Diversity and inclusion initiatives should be a central part of any corporate strategy considering that diversity by almost any measure positively correlates to improved financial performance. It is especially important for technology companies of Greater Minnesota to focus on the positive correlations between diversity and the attraction and retention of talent when considering the projected workforce shortage. Our experience, as well as that of our peers, suggests that the identified future leaders of Greater Minnesota technology companies could stand to benefit from additional, focused training on promoting diversity and inclusion in their daily professional lives. In addition, we believe that this topic is critical enough that it deserves explicit attention at an upcoming MHTA spring conference. We do want to acknowledge that these proposals are only a small part of what, ultimately, is required to make a real and positive change in this space. We have focused on this area (instead of outreach, for example) as we believe this gap could be directly addressed by the MHTA.

Selected References

- McKinsey & Company, Diversity Matters, 2015.
- McKinsey & Company, Women in the Workplace, 2017.
- McKinsey & Company, Rebooting Representation, 2018.
- McKinsey & Company, Delivering Through Diversity, 2018.
- Boston Consulting Group, How Diverse Leadership Teams Boost Innovation, 2018 (and references therein).