Understanding, Harnessing, and Leveraging the Power of Diversity and Inclusion

Office of Diversity and Inclusion
U.S. Office of Personnel Management
The Logic of Diversity and Inclusion

- Diversity is not an imposition, it’s an advantage
- Inclusion is not a problem, but it’s a solution
- Working together is more than a good idea, it’s essential to individual and company success
Define Diversity

The state or fact of differing from one another

- Inherent
- Acquired
Four Layers of Diversity
The degree to which an employee perceives that he or she is an esteemed member of the work group through his or her needs for *belongingness* and *uniqueness*.
## Brewer's Optimal Distinctiveness Framework

<table>
<thead>
<tr>
<th>Low Belongingness</th>
<th>High belongingness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low value in uniqueness</strong></td>
<td><strong>High value in uniqueness</strong></td>
</tr>
<tr>
<td>Differentiation:</td>
<td>Inclusion:</td>
</tr>
<tr>
<td>Individual is not treated as an organizational insider in the work group but their unique characteristics are seen as valuable and required for group/organization success.</td>
<td>Individual is treated as an insider and also allowed/ encouraged to retain uniqueness within the work group.</td>
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<tr>
<td>Exclusion:</td>
<td>Assimilation:</td>
</tr>
<tr>
<td>Individual is not treated as an organizational insider with unique value in the work group but there are other employees or groups who are insiders.</td>
<td>Individual is treated as an insider in the work group when they conform to organizational/dominant culture norms and downplay uniqueness.</td>
</tr>
</tbody>
</table>

*Individuals experience feelings of inclusion when a high value is placed on uniqueness with a corresponding high value on belongingness*
The Research

Organizational Performance
What Does Corporate America Know?
Diversity & Inclusion = Optimal Performance
Credit Suisse (2014)

- 2,400 companies
- At least 1 female board member
  - Yielded higher returns on equity and
  - Yielded higher net income growth

- 366 public companies
- Top ¼ for ethnic and racial diversity in management teams and boards
  - 35% more likely to have financial returns above the industry mean
- Top ¼ for gender diversity
  - 15% more likely to have returns above the industry mean

• Linear relationship between racial and ethnic diversity and better financial performance
• For every 10% increase in diversity on the Executive team, earnings before interest and taxes (EBIT) rise 0.8%
• In the UK, For every 10% increase in gender diversity EBIT rose by 3.5%
• Diversity of thought in teams:
  – Guards against group think and expert overconfidence
  – Increases the scale of new insights
  – Helps identify the right employees for tackling pressing problems
1,800 professionals, 40 case studies, and numerous focus groups and interviews looked at inherent and acquired diversity

- Companies with both types of diversity out-innovate and out-perform others
- Companies are 45% more likely to report growth in market share
- Companies are 70% more likely to report capturing a new market
• 4,500 employees at large US chain
• 348 departments and data on turnover
• Leaders who develop a high level of inclusiveness have a significantly lower turnover rate
• Turnover is higher in diverse groups when leaders are inconsistent in the quality of relationships
• Leaders can reverse turnover by being inclusive with all members
• Leaders can increase turnover by being inclusive with only a few group members
Catalyst Research

- Companies with more women on the board statistically outperform their peers over a long period of time
- Measured by Return on Equity, Sales, and Invested Capital
“High Impact Talent Management” Research

• Studied over 128 talent practices, 450+ global companies, to predict the highest performance

• Assessed their level of maturity on talent practices

• Examined 128 aspect of talent management

• Found that “companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.”
Bersin by Deloitte Research (2015)

• Found 31 distinct talent practices highly correlated with strong business performance

• Grouped these into 9 categories and ranked them based on impact
The New Bersin by Deloitte Talent Management Maturity Model

**Level 4**

**Inclusive Talent System**
Talent strategies integrated with inclusion, diversity, and culture

10%

**Level 3**

**Managed Talent Relationships**
Workforce planning, development planning, leadership development integrated into talent strategy

19%

**Level 2**

**Critical Talent Growth**
Critical talent segments, focus on hiring, training, performance

59%

**Level 1**

**Essential Talent Activities**
Standalone disconnected staffing, training, and performance practices

12%

Source: Bersin by Deloitte, 2015.
 Companies at levels 3 and 4

• 2.3 times higher cash flow per employee over 3 years
• Smaller companies had 13 times higher mean cash flow from operations
• 1.8 times more likely to be change-ready
• 1.7 times more likely to be innovation leaders in their market
• 3.8 times more likely to be able to coach people for improved performance
• 3.6 times more able to deal with personnel performance problems
• 2.9 times more likely to identify and build leaders

Bersin by Deloitte Research (2015)
Bersin by Deloitte Research (2015)

Level 3 and 4 companies

- Not just better at HR
- They are higher performing companies measured by business, financial, and talent outcomes
Organizational Inclusion to Further Performance

• 198 Texas public managers, across 5 departments
• Caucasian population < half of state’s population
• Organizational Performance most effective: Diversity management (DM) + leader support + empowered employees
• Inclusive management (IM) holds a greater potential for strongest workforce and improved productivity
Inclusive Management
One that allows all employees regardless of demographics to participate in decision-making process and fully contribute to the organization without undermining their uniqueness or forcing them to give up their valuable identities.

Inclusive Management in Federal Agencies
• Positively correlated with innovative behavior
• Decreased turnover by satisfying the need for belonging among diverse employees
11,557 Public sector employees (Dutch)

• Positive effect of DM on the inclusiveness of the organizational culture and on employees’ affective commitment

• DM initiatives that are successful in affecting openness and appreciation of diversity will improve employees’ affective commitment

• Determined: It is important that public sector managers recognize their impact on organizational culture to effectively manage a diverse workforce
When all you have is hammers...
...Everything looks like a nail
We can do more with an assortment of tools
We are smarter like this

A Positive-Sum Game

An interactive networked organization

A stable, robust, high-performance system
We are less smart like this...
...And even less smart like this

A Zero-Sum Game
A hierarchical segregated organization
A fragile, unstable, low-performance system
The Titanic
The Titanic

- Iceberg estimated to be between 50 to 100 feet tall and 200 to 400 feet long and the Titanic was navigable.
- Why didn’t they pull in closer to the iceberg to save hundreds of lives?
- People were of the mindset that icebergs sink ships – icebergs were dangerous to ships.
To Address Diversity & Inclusion
We Must Look At What Makes Up Our Culture
People

CULTURE

Practices

Performance
Exercise
Lines and Dots Exercise
Unconscious Bias
Research Confirms....

• Overweight employees receive lower performance evaluations

• Non-minorities receive some medical procedures more often than minorities

• Boys are called on more often in class than girls when their hands are raised
Unintended, subtle, and completely unconscious choices, made by everyone, all the time
Neural Pathways

- Why we do what we do
- Why we think what we think
- Why we feel what we feel
Change Behavior Change your Brain

- Pay Attention to what you are thinking
- Deliberate, Repeat and Practice
- Re-train the brain
- Question rather than judge
Conditions for Bias

- Stress
- Time Constraints
Bias

Like Me Bias
Cognitive Dissonance

Confirmation Bias
Ingroup Bias
Bias

Gambler’s Fallacy

Buyer’s Stockholm Syndrome

Neglecting Probability
Bias

Observational Selection

Status-Quo

Negativity
Micro-messaging

Micro-inequity
Micro-affirmations

Ways we send subtle messages positively or negatively
Micro-messaging

Facial Expressions

Gestures

Tone of Voice
Micro-messaging

Choice of Words

Nuance

Syntax
Workplace Micro-messages

- Interrupting... constantly
- Left out of discussion/project
- Reading/sending emails/texts during conversation
- Looking at watch... frequently
- Not being introduced then ignored
- Avoidance of eye contact
Workplace Micro-messages

- Eye rolling
- Cutting down ideas before they can be entertained
- Mispronouncing/misspelling name...frequently
- Change in voice pitch, volume, or rate
- Change in body posture
- Change in hand movements and gestures
- Fake, masked, or forced smiles
Now what?
Think about a time when you were part of a successful team

- What were the characteristics that supported the team’s success?
- How did people treat each other?
- What was your role in the team and how did you enable team success?
Next Steps

- Become self-aware of your bias
- Be aware of your behaviors
- Slow down and process your thinking
- Be mindful of your micro-expressions
Self-aware:
Take the Implicit Association Test

http://implicit.harvard.edu
Ask for Feedback through 360 Degree Assessment

360-DEGREE FEEDBACK
Attend Leadership Development Training
If (or when) situation X occurs, then I will perform behavior Y

Situation and action become linked in your mind

The action becomes more accessible in your brain

Once practiced, action becomes automatic
3 Steps to New Habits :-) 

Step 1 Make it tiny

To create a new habit, you must first simplify the behavior. Make it tiny, even ridiculous.

A good tiny behavior is easy to do – and fast.

Examples:
- Floss one tooth
- Walk for three minutes
- Do two pushups

BJ Fogg, Ph.D.

Stanford University
Persuasive Tech Lab
3 Steps to New Habits :-)

Step 2 Find a spot

Find a spot in your existing routine where this tiny new behavior could fit.

Put it *after* some act that is a solid habit for you, like brushing teeth or eating lunch.

One key to a new habit is this simple: You need to find what it comes *after*.

BJ Fogg, Ph.D.

Stanford University
Persuasive Tech Lab
3 Steps to New Habits :-) 

Step 3 Train the cycle

Now focus on doing the tiny behavior as part of your routine – every day, on cycle.

At first, you’ll need reminders. But soon the tiny behavior will get more automatic.

Keep the behavior simple until it becomes a solid habit. That’s the secret to success.

BJ Fogg, Ph.D.
Stanford University
Persuasive Tech Lab
Create an Inclusive Culture

Daily check in with all members

Identify 3 personal and 3 team values and agree as a team to role model
Create an Inclusive Culture

Celebrate innovative ideas quarterly

Mentor people who are different from you
Create an Inclusive Culture

- Have informal conversation with all team members
- Develop a “mutual respect” code
Create an Inclusive Culture

• Open dialogue in your teams to identify and address subjectivity, transparency, behavior on a consistent basis.

• Make questioning a part of all team meetings, make it part of your “way of doing things.”
People

CULTURE

Practices

Performance
Organizational Structures

Systems, Processes, and Policies

- Examine systems for avoidable subjectivity
- Change them to be more objective
Organizational Structures Guide the Process

- Remove distinguishing features from resumes
- Identify diverse interview panels
- Create standard rating criteria
Organizational Structures Guide the Process

Establish clear criteria in advance of making decisions

- Hiring
- Training
- Interview Panels
- Task Forces
Organizational Structures for Recruitment

- Designate a diverse task force or advisory body
- Ensure websites and other materials are welcoming, accessible, and easy to navigate
- Develop strategic partnerships with a diverse range of colleges and universities, trade schools, apprentice programs, and affinity organizations
- Use various Hiring Authorities
Structures for Retention & Advancement

- Conduct exit interviews and stay interviews
- Examine access to career development training and plans
- Promote diversity with senior executive champions
- Create and support Employee Resource Groups
Structures for Retention & Advancement

- Train managers
- Utilize communities of practice
- Enhance mentoring programs
- Develop and implement an objective process for succession planning
People

CULTURE

Practices

Performance
Assess Performance

How well does your organization perform?
Look at your data...
Data

- RNOG New Hires
- RNOG On Board
- RNOG SES
- RNOG GS 13-14-15
- Applicant Flow Data
- FEVS Global Satisfaction
- FEVS Engagement Index
- FEVS Inclusion Quotient
- Pulse Survey
- Leadership Development
- RNOG and GS in Training
- Attrition Rates
- Exit Surveys
- Focus Groups
- RNOG in Mentoring
- ERG Membership
Performance

Organizational Performance
• Team Outcomes
• Accomplishments
• Impacts
• Ingenuity/Creativity
• Problem Solving Effectiveness

Individual Performance
• Contributions to the Team
• Collaboration with Colleagues
• Attendance
• Individual Accomplishments
• Engagement
Performance

- Performance Plans
- Elements and Standards

### SMART Team Objectives – How will the team contribute to OFES Strategic Direction

<table>
<thead>
<tr>
<th>Objective</th>
<th>Weighting</th>
<th>Measures of Success</th>
<th>Level Achieved</th>
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</table>
| 100% adherence to OFES Fire Officer Procedures and Compliance | 30 | - Demonstrated correct procedures and compliance requirements including VMHES followed based on observations and results recorded in the Operational Management System.  
- All procedures manual regularly updated.  
- Co-reponsibility achieved in Area Commander reviews.  
- Online and Practical Training completed in line with target dates by all team members.  
- All videos watched and skills and drills videos watched at least twice a week by all team members.  
- Attendance at weekly team meetings. | |
| Ensure all equipment is maintained and used in accordance with procedures | 15 | - Completion of all equipment procedure and handling training.  
- Follow instructions on equipment usage on each call out as required by the Captain or senior officers.  
- Report on any faulty equipment and take steps to arrange repair or replacement in accordance with procedural timeframe. | |
| 100% call out achievement rate | 20 | - 100% availability and attendance at call outs achieved overall by the team with replacement members inserted as required. 
- All team members adhere to callout schedule.  
- All team members maintain a 100% attendance rate.  
- All team members attend all required training sessions.  
- All team members attend all mandatory meetings.  
- All team members adhere to all policies and procedures. | |
| Budget | 10 | - Julio Creek Station operating expenses achieved in accordance with budget. | |
| All leadership and management tasks undertaken | 5 | - Adherence to VMHES procedures at all times.  
- All training scheduled as required by VMHES.  
- Completion of all staff performance plans and I&D’s.  
- Team meetings held regularly.  
- Reports compiled, filed and submitted as per time required. | |
"Creating a culture of integrity and accountability not only improves effectiveness, it also generates a respectful, enjoyable and life-giving setting in which to work."

-Tom Hanson, Ph.D.; Birgit Zacher Hanson, M.S., M.C.C., Who Will Do What by When?: How to Improve Performance, Accountability, and Trust with Integrity

“What gets counted, gets done.”
People                                    Leadership?

Processes                                 Inclusive?

Performance                           Measures?
Next Steps
2017 Government-wide Inclusive Diversity Strategic Plan

LEADERSHIP

inclusion = DIVERSITY + ENGAGEMENT

DATA
Agency leaders shall continue their efforts to attract, retain, and cultivate diverse leaders by frequently communicating, accounting for, and modeling inclusive diversity behaviors that attract and reflect the broad diversity of American society.
Federal agencies shall intensify efforts to foster cultures that encourage employees to feel valued for their unique qualities and experience a sense of belonging, engagement, and connection to the mission of the agency.
Federal agencies shall intensify efforts to create and foster diverse, high-performing workforces, utilizing data-driven approaches and optimizing policies, processes, and programs to drive inclusive diversity efforts and accomplish agencies’ missions.
Thank you