



Advancing Racial Equity in the Workplace

By Arlene S. Hirsch

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Racial bias in the workplace is annually costing U.S. businesses \$54.1 billion in increased absenteeism, \$58.7 billion in lost productivity and \$171.9 billion in turnover, according to research from the Society for Human Resource Management (SHRM). Black employees are most at risk for experiencing bias, followed by Latino and Asian-American employees. However, even employees who don't directly experience bias are negatively impacted by observing others being treated unfairly.

"There has been a collective awakening as more people become aware of how pervasive discrimination and bias are," said Evelyn Carter, director of training and people development at Paradigm Consulting, which is based in San Francisco and focuses on diversity, equity and inclusion (DE&I). "We are at a pivotal moment when organizations must answer an important question: How will they restructure their workplaces to truly advance racial equity and inclusion?"

HR has a pivotal role to play in answering that question.

"Until there are systemic changes in the way our workplaces are structured, nothing will change," said Dorianne St. Fleur, a workplace inclusion strategist in San Jose, Calif. "All people processes, such as compensation, hiring, promotion and performance reviews, must be audited, reconfigured and measured regularly to ensure there is no disparity based on race."

[Want to learn more about HR's role in advancing diversity, equity and inclusion? Join us at the SHRM Annual Conference & Expo 2021 (<https://annual.shrm.org/>), taking place Sept. 9-12 in Las Vegas and virtually.]

Leadership Challenge

The SHRM research (https://prodtfw.wpengine.com/wp-content/uploads/2020/08/20-1412_TFAW_Report_FNL_Pages_V2.pdf) found that racial inequity is often perpetrated by supervisors, managers and senior leaders.

"Anti-racism is a core leadership competency," said Tim Cynova, co-CEO of Fractured Atlas, a New York City-based nonprofit arts organization committed to anti-racism and anti-oppression. "If you're a white leader and you're not personally engaged in learning and understanding racism and oppression, you're not doing your job."

Fractured Atlas' journey to becoming an anti-racist, anti-oppression organization began in earnest six years ago when it changed its values statement to reflect that commitment. The leadership team then created a diversity task force to assess the company's business model and culture in order to bring the organization into closer alignment with those values.

"What's so challenging is that there's no playbook for what we're trying to do," Cynova said. "It's an innovative process. We're trying to create a healthy organization where everyone can thrive that didn't exist before."

Joyce Smithey, a labor and employment attorney with the Smithey Law Group in Annapolis, Md., had this advice for organizations trying to advance racial equity in the workplace: "An important first step is for leaders to have an open and honest discussion about the issue and challenges of racial equity with their employees." The goal of these discussions should be threefold:

- Identify problem areas.
- Give an equal voice to minority employees and allow them to feel heard.
- Help educate white employees about a problem they may not believe exists.

Talent Reimagined

A number of companies are changing their recruitment and hiring strategies in an effort to build more-diverse talent pipelines.

In its five-year racial equity plan, Best Buy (<https://www.fairplaytalks.com/2020/12/11/best-buy-commits-44m-to-diversity-inclusion-community-efforts/>) committed to filling one out of every three new non-hourly corporate positions with individuals who are Black, Indigenous and people of color (BIPOC) and to expand representation throughout the company by providing leadership-in-training roles to BIPOC employees.

Since 2007, the Gap has been building its diversity pipeline through This Way ONward, a 10-week program that helps interns gain critical skills, confidence and work experience while the employees who mentor them simultaneously build leadership skills; 95 percent of program alumni are people of color.

Organizations also can build more-diverse talent pipelines by eliminating the race-based practice of rejecting qualified candidates who do not have four-year college degrees, diversity experts advise. Statistics compiled by Opportunity at Work, a Washington, D.C., nonprofit, found that nearly two-thirds of Black individuals and more than half of Hispanic individuals in the U.S. labor force are STARS (Skilled Through Alternative Routes).

Yscaira Jimenez founded LaborX, a Boston-based talent marketplace for STARS, as a way to connect hiring managers with graduates of vocational schools, boot camps, apprenticeships and community colleges using predictive skill analytics and 3D resumes.

"Many of the programs we source from support diverse demographics such as opportunity youth, veterans and immigrants who have the skills but lack the networks to connect to good jobs," Jimenez said. "LaborX believes in a world where everyone can contribute their skills and potential to the workforce, regardless of pedigree or social capital." The organization recently merged with Opportunity at Work.

Cascade Engineering, a 1,200-person manufacturing company in Grand Rapids, Mich., with a long-standing commitment to being anti-racist, launched its Welfare to Work program in 1993 with the goal of getting welfare recipients into manufacturing jobs at Cascade. However, the program was plagued by high turnover until the company partnered with social service agencies to provide child care, transportation and other help, said President and CEO Christina Keller. The eventual success of the program led to the creation of the company's Returning Citizens program. To date, Cascade has hired over 1,000 people with criminal histories, and those employees have an average retention rate of seven years.

"We want to be an employer of choice, and we feel our culture helps us achieve that," Keller said. "One of the most important things we do is socially responsible hiring."

SHRM RESOURCE HUB PAGE

Overcoming Workplace Bias (www.shrm.org/ResourcesAndTools/Pages/overcoming-workplace-bias.aspx)

Addressing Pay Equity

"In a job market where there is fierce competition for diverse talent, companies need to pay people fairly, invest in their development and show them that there is a path forward," said Cheryl Pinarchick, an attorney and co-chair of the Pay Equity Practice Group at Fisher Phillips LLP in Boston.

"This is more than a legal issue," she noted. "When we talk about pay equity, we also need to talk about the opportunity gap and identify disparities among different groups within different levels of the organization. You have to look at it both ways."

By implementing a transparent compensation system with objective metrics for recruitment, advancement and compensation, she explained, companies can help build trust and ensure consistency and fairness.

Angelique Hamilton, founder of The Chique Group, a diversity and inclusion training company based in Florida, added, "Organizations need to review compensation and promotion structures at all levels to identify what systems are in place and what resources are available."

To that end, Fractured Atlas implemented a fixed-tier compensation model "so that everyone knows what everyone makes and everyone moves forward together," Cynova said.

St. Fleur recommends tying managers' bonuses and promotions to DE&I goals.

"Behavior often follows incentives," she said. "Create clear and uncomplicated goals around diversity, equity and inclusion and then hold managers accountable for the results." She recommends that at least 20 percent of C-suite positions and 30 percent of senior leadership jobs be filled by BIPOC employees.

Experiment with Options

Every organization's journey toward racial equity will be different. While some wholeheartedly embrace the challenge of being anti-racist, others opt for a more moderate approach.

"If you want to address structural racism, you have to address the structures that support [it]," said Joan Williams, founding director of the Center for WorkLife Law at the University of California, Hastings College of Law in San Francisco. She recommends conducting research to identify areas of possible bias, determining what metrics to use to measure change, and then making small adjustments called "bias interrupters."

Bias interrupters are tweaks to existing business systems, such as those related to hiring, performance evaluations, work assignments, promotions and compensation, that stop and correct implicit biases, also known as hidden or unconscious biases, she said.

"If you make surgical tweaks to basic business systems, you can have a measurable impact on bias in one year's time without ever talking about bias," Williams said.

Technology can be an ally as well. The World Economic Forum's Diversity & Inclusion Toolkit (http://www3.weforum.org/docs/WEF_NES_DEI4.0_Toolkit_2020.pdf) outlines a number of ways in which technology can be leveraged to reduce bias, diversify talent pools and benchmark progress. For example, artificial intelligence software can be programmed to pinpoint hidden biases in an organization's recruiting process. Organizations that are focused on building an inclusive culture, however, may need more individual engagement and accountability from employees at all levels.

"A lot of issues stem from the culture of the company," Hamilton said. "If the culture is awry, you won't succeed."

Best Buy's plan to create a more inclusive culture includes an investment in mentoring, sponsoring and coaching BIPOC employees to "enhance the employee experience, increase retention, and help current and future leaders create meaningful connections."

Pinarchick recommends that managers participate in implicit-bias training to help them recognize how their own biases and decisions may be coloring their decisions about hiring, promotions and development opportunities.

"It's important to give people space to recognize that their biases may be impacting their decisions without their realizing it," she said.

"There's no one-size-fits-all answer to what kind of training or education will work best," Carter explained. Organizations need to develop the content and approach that fits with their needs and goals.

But "Training alone won't accomplish much if there aren't other components," said Carla Thomas, founder and president of the Realized Leadership Group, a DE&I consulting company in Richmond, Va. She recommends building ethnocultural empathy—empathy directed toward people of different races—into everyday interactions to mitigate bias and build an inclusive workplace. This can include coaching, mentoring, allyship, empathy circles, affinity groups and town halls, as well as anti-bias and peer leadership training.

"Here's the bottom line," St. Fleur said. "If you truly want to build a company culture that actively and relentlessly indexes toward racial equity and inclusion, stop talking about how hard it is and actually start doing something about it."

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