

Creating a Sustainable Inclusion & Diversity Strategy

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Build on Your Company's Goals and Strengths

When Cisco was founded 25 years ago, inclusion and diversity were rarely talked about at most American corporations, at best shunted to the sidelines of Human Resources and at worst ignored. Today, they're at the heart of talent management, itself increasingly seen as the dynamo that drives an organization's success.

There are many solid business reasons that companies recognize the need to build a diverse workforce and retain and sustain it with a robust I&D strategy. As they compete in a global marketplace, companies are looking for an edge in understanding the shifting consumer base. Drawing talent from that base offers the best entry into those multi-faceted markets.

Those markets are also the greatest source of future talent. "Right now, 83 percent of the global talent pool consists of women and minorities. Also, women are increasingly outnumbering men in college graduating classes worldwide," says Sylvia Ann Hewlett, founding president of the Center for Work-Life Policy.

In addition, new research from business schools shows that teams that are diverse in gender, age and ethnicity are much more innovative than homogeneous teams and less prone to *groupthink*—the tendency to staunchly defend wrong-headed ideas because everyone in the group thinks the same way. "There's a correlation between ROI and having good representation of women and minorities in the management ranks," Hewlett notes.

The existence of a diverse workforce, however, doesn't guarantee that organizations make the most of it. Diversity naturally exists in most multinational companies. Inclusion does not. The rich variety of skill sets, points of view, different thought processes and new approaches that can unleash the potential for innovative ideas is useless if a company lacks the willingness to hear those ideas. That's why more and more companies now realize that talent management requires a strategy that comprises both diversity *and* inclusion.

"Companies want engaged employees who are pushing for the company, who tie the company's success to their success," says Carol Evans, president of Working Mother Media. "To be fully engaged, you need to feel like a member of the company. If leaders don't work hard to include people, you'll lose what you worked so hard to bring in."

Align I&D with Your Company's Vision

A serious—and sustainable—I&D strategy is rooted in the company's vision, brand and business goals. "Everything we do supports Cisco's strategy," says Marilyn Nagel, Chief Diversity Officer at Cisco.

This positions I&D as an integral part of the company's key business goals, rather than an add-on whose value—and cost—constantly needs to be justified. "When I&D is seen as an add-on, it's really hard to sustain," says Nagel. "To prevent this, I recommend starting by taking a look at your company's vision statement."

All of Cisco, from the executive management group to the smallest teams, follows a "Vision-Strategy-Execution" (VSE) model. This involves articulating a vision for the next three to five

years, creating an 18- to 24-month strategy to move toward achieving that vision, and executing on that strategy over the coming year. “We always look both long-term and short-term, and with that you build sustainability,” explains Nagel.

Nagel began to craft the I&D agenda by examining Cisco’s goals for the next three to five years. These included:

- ◆ Building a next-generation company capable of forging next-generation customer relationships
- ◆ Focusing on collaboration and Web 2.0 tools to maximize productivity
- ◆ Expanding Cisco’s reach through the globalization of the enterprise

How could I&D strategies help realize these goals? And how could I&D become recognized as an integral element in supporting and furthering the company strategy?

Build I&D into Every Level of the Organizational Chart

A successful and sustainable I&D strategy cannot be built in a silo. Similarly, for I&D to receive the organizational support required to achieve its goals, it needs to be represented and play a central role in decision-making at the highest leadership level. To ensure that I&D is integrated at every level of the company, not just an HR focus, Nagel advises doing the following:

Commit to I&D at the C-suite level

Cisco formed its Global Inclusion and Diversity Council in 2007 to integrate I&D into its business processes and operations at all levels. The council is led by the Senior Vice President of Human Resources, and its members are all at the executive level, reporting directly to Cisco’s CEO and operating committee. Members represent each geography, business function and employee resource group, and its role includes:

- ◆ Developing the I&D vision, strategy, and execution plan
- ◆ Chartering new ERGs (Employee Resource Groups)
- ◆ Advocating policies that support an inclusive environment
- ◆ Coauthoring a new inclusion index for the Cisco Employee Satisfaction Survey
- ◆ Implementing metrics for measuring the impact of I&D initiatives

“Our council members also serve as executive sponsors for major diversity programs and are key communicators of the diversity message,” says Nagel.

Connect to I&D throughout the company

Below the Council is the I&D Coalition, composed of a global team and nine teams representing each geography and each function of the company. They are responsible for building a strategy and executing a plan to implement the Council's decisions. Each team devotes 80 percent of its time to delivering on company-wide initiatives as designated by the Coalition portfolio; the other 20 percent may be spent on local initiatives.

Before the I&D Council was established, diversity was handled in a disparate way with lots of money spent but little to show for it. Under the new model with the Council and Coalition, each I&D program is tracked and measured, so it's clear where programs are making progress and where they are falling short. Even though financial and headcount resources have been reduced as a result of economic constraints, because I&D goals are aligned with the overall business goals, I&D initiatives have a greater impact than before and are seen as a company priority.

Execution in Action: Examples of Cisco I&D Programs

With the company VSE goals as a guideline, Nagel spotlighted three areas that form the basis for the I&D strategy. "We've focused on these goals for the past two years and will continue to focus on them until they are no longer relevant," says Nagel. The goals—and some of their supporting actions—are:

Increase diverse candidates in internal and external hiring process

"We want to cast the broadest net possible to look for external candidates, but we also want to make sure that our internal process, as we move people from job to job or function to function within the company, also has a diversity pivot," says Nagel.

The action: "We're working with the staffing organization, which is responsible for external hiring and internal movement, to insert diversity into process maps, to train the organization in the importance of multi-cultural competence, and to ensure we're looking at the right sources," says Nagel.

Develop and engage diverse talent

Cisco now has as many people outside of the U.S. as in San Jose. But a large percentage of its senior leadership team grew up within Cisco, often within the same function, and mainly consists of individuals from the U.S. and Western Europe. These leaders don't always know people from other functions or different geographies, and they don't have exposure to diverse talent within the pipeline for other parts of the business.

The action: Cisco launched the Inclusive Advocacy Program (IAP) in November 2008 to open doors, create new networks and enable the organization at a very senior level to help develop a diverse talent pipeline across the enterprise. Thirty highest-potential diverse talent were identified and paired with an "advocate" in a different function and two levels above. Because all of the meetings were virtual, a variety of Cisco collaboration technology, from creating a program-specific website to using TelePresence, was used to help the pairs build lasting relationships. The resulting relationships exceeded expectations. When the program began, it was given a timeline of 18 months to produce any measurable result. To date, in less than a year one of the high-potentials received a promotion and another got a new geographic posting.

Drive business development through diversity work

Cisco has recently gone into the consumer market with acquisitions like LinkSys and Flip cameras. “We had not been a consumer company traditionally,” notes Nagel. “As we moved deeper into the consumer space, we looked at some of the new markets, as well as market adjacencies, and said, ‘Is there some way our diverse communities can understand those markets and reach out to them?’”

The action: “As we move more and more into the consumer space, ERGs are a big opportunity,” says Nagel. Cisco has been training its Employee Resource Groups (ERGs) around how to do business outreach. “We consulted our Hispanic ERG on what changes were needed to attract Hispanic Business resulting in a Spanish version of our website and our help center now offers Spanish speaking agents. Our women’s network brought in women leaders from companies in a global event called Connected Women. The event helped develop networking relationships, with customers and future customers” says Nagel.

Ensure Sustainability Through a Culture of Inclusion

For a culture of inclusion and diversity to take root and sustain itself, it has to be embedded in the regular rhythm of the business. “If I&D is just an initiative or a program, then you always have to get people on board to support it and you always have to look at change management tactics,” says Nagel. “We want it to be part of the fabric of the company, not something separate.” To raise, embed and maintain I&D awareness, do the following:

Call attention to I&D efforts

I&D should be continually promoted throughout your organization, at regular business meetings and at “state of the business” operational reviews. Provoke conversation by talking about trends and opportunities. For example, the Cisco executive team consistently and broadly emphasizes the I&D vision—not just one voice from the C-suite but the entire team makes I&D part of their regular communications platform.

Leverage your company’s differentiators

Examine what’s unique about your company, what makes it stand out in the marketplace, and how to highlight that through an I&D strategy. One major differentiator at Cisco is its collaboration technology. Because its aim is to bring people together, it’s used very heavily in the I&D programs. “At Cisco, information technology (IT) enables all of our strategy; therefore, technology is a driver for our diversity strategy,” says Nagel. “We have succeeded in implementing solutions that are taking best practices to a new level in the diversity arena by using technology in new and innovative ways.”

For example, using Cisco TelePresence, more than 150 high-potential members of Cisco’s Women’s Action Network (WAN) received 45-minute one-on-one coaching sessions, despite being scattered around the world. When the six-month pilot program concluded in November 2008, 93 percent of the survey respondents indicated they would recommend it to others.

Make people accountable for I&D

Each I&D program is tracked and measured to see which areas are showing progress and which are falling short. I&D is now included in the quarterly operational reviews with the CEO, as well as being part of the metrics for the employee annual review.

For example, in Europe, Cisco managers are evaluated on the diversity of their bench; if it's not diverse enough, they may not be eligible for an above average rating, also affecting their compensation. In short, everyone is held accountable.

Maintain the momentum

"The more we do, the more sustainable our programs are," says Nagel. As part of the goal to make I&D pervasive at all levels of the company, diversity training is no longer a separate learning module but has been embedded into the online learning program for all new managers.

"As with any new behavior or area of focus, I&D has to be made top of mind and overt before it can become a natural and routine habit," says Nagel. "At first, as you begin building inclusion and diversity into existing business practices, you'll need to emphasize the I&D elements, achievements, and progress. But over time, I&D will become a normal component of the leadership or operational review process, and become part of the company's DNA."

Common Pitfalls and How to Avoid Them

Every new program encounters stumbling blocks. Nagel lists the top three lessons learned:

Learn from others

Evaluating what other top companies were doing was integral to helping Cisco formulate its I&D strategy. "It's important to look outside your company and industry to see what's being done," says Nagel. "We synthesized a huge amount of research looking at who was best in class and in what particular niche."

Some initiatives grew out of benchmarking with companies known for their own mentoring programs. Others came from think tanks and organizations specializing in diversity practices. For example, an article in a journal published by Catalyst sparked an idea about how to take mentoring to the next level. Nagel further explored the idea by bouncing it off companies known for their mentoring programs. "And that's how we came up with IAP," she says.

Nagel stays current and even ahead of the curve by studying the work of the following organizations:

- ◆ Catalyst (www.catalyst.org)
- ◆ Center for Work/Life Policy (www.worklifepolicy.org)
- ◆ The Conference Board for Diversity (www.conference-board.org)

- ◆ Diversity Best Practices (www.diversitybestpractices.com)
- ◆ Diversity, Inc. (www.diversityinc.com)

Don't impose; integrate

One of the most common reasons I&D programs don't stick is that they are perceived as a "dictum of the day" imposed by HR or corporate higher-ups. "This was a rough lesson to learn and we're still learning it," notes Nagel. "What helps us tremendously is having diversity leaders in place in Europe, in Emerging Markets, in Asia-Pacific and elsewhere who are part of the business teams in those geographies. We've learned we need to get them involved at the onset of the development process, encourage them to provide input on how we might shift or customize the material, and ensure that they are integral members of the team."

Think global. Act local.

As companies expand their operations around the globe, it's important to realize that "one size fits all" doesn't apply to diversity programs. "You can have one fundamental strategy but it may be executed differently in different locations," says Nagel. "You have to be sensitive to local laws and customs. That's what diversity is about.

"For example," she continues, "while women's issues are addressed everywhere, they will be at a different level in Europe than they are in the Middle East. The needs of India are different from those of China. We have to realize that the maturity of a community to deal with I&D issues will be different. In some countries, there isn't even a translation for the word 'inclusion,' so to promote the same things across our global footprint would be force-fitting everyone into the same mold, rather than recognizing and appreciating our differences, which is our goal in I&D. And a big emphasis of our I&D work is on an understanding of how to work across cultures to further globalization and collaboration.

Ironically, that sensitivity gets ignored when there's pressure to implement I&D programs quickly. Nagel warns, "It's easy to skip some of the steps and craft programs flexible enough to accommodate different locations but if you skip those steps, you pay on the back end."

One overall caveat: "It's important to call out the difference between inclusion and diversity," says Nagel. "Diversity acknowledges the differences that everyone brings to the office. Inclusion is what you do when you get them there, by ensuring they are acknowledged for who they are, and that they are valued and welcome." (Emphasizing that difference—and underscoring the importance of the "inclusion" part of the equation—is one reason that Cisco intentionally calls its program "Inclusion & Diversity," rather than the conventional "Diversity & Inclusion.")

Conclusion: A Strong I&D Brand Attracts Talent

A strong employer brand that values top talent and creates the conditions that allow this talent to flourish, no matter where it comes from or what it looks like, is a huge differentiator. It positions a company to become a talent magnet—an employer of choice in an increasingly competitive labor market.

“It’s been said that the definition of tolerance is ‘to accept with repugnance,’” says Hewlett. “To tolerate diversity is not the goal. You need to celebrate it and you need to create a culture that celebrates it.”

Cisco’s brand as “the Human Network” is enhanced by its reputation as an I&D leader. Because its I&D strategy is not just aligned with the company brand but leverages its core strengths, I&D is woven into the very fabric of the company. As its I&D program proudly proclaims, “We believe in the power of the Human Network and it starts with you.”

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