2015 Inclusion Interviews Report

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LETTER FROM THE PRESIDENT

On behalf of Talent 2025, its Diversity and Inclusion Working Group and
CEO Council, I present to you the 2015 Inclusion Interviews Report – our in-depth
study of efforts by West Michigan employers to attract, develop, and retain the
diverse workforce they need to compete in a global economy.

Talent 2025 is committed to our vision for West Michigan to become globally
recognized as a top 20 region for talent in the U.S. This report marks an important
step in our efforts to highlight leading practices West Michigan employers can adopt
to develop, recruit and retain the best talent. The study draws on interviews from
West Michigan employers and includes data, insights, and recommendations to help
other employers develop a workforce that represents the communities they live in
and gives them a competitive advantage in a global economy.

Together, we can ensure a more diverse and talented workforce for our region's
growing and thriving companies. I would like to thank you for your interest in this
report and your commitment to make West Michigan a place where the best
talent chooses to live and work.

Sincerely,

Kevin Stotts
President, Talent 2025

EXECUTIVE SUMMARY

Diversity and inclusion in focus.

Our vision is for West Michigan to be recognized as a top 20 region for talent in the country by creating a community where entrepreneurship thrives, employers want to locate, and diverse talent chooses to live, learn, and work. To achieve this, we recognize the region's strategies, including those of its employers, must develop, attract and retain diverse talent.

The purpose of this report is to educate Talent 2025 member companies and the West Michigan employer community on effective strategies used by local companies to attract retain diverse talent. The interviews, focus groups and survey were centered on gender, race, ethnicity, family structure, and veteran inclusion. The strategies and recommendations are based on the results of these interviews as well as other data collected during the course of our research.

This report includes several recommendations for our members including Community of Practice (CoP), standards and benchmarks, best practices and trends. All of which will be discussed at greater length at the end of the report. We encourage you to use our 2015 Inclusion Interviews Report as a key resource for achieving diversity and inclusion in pursuit of bringing more talent to our employers and our communities.

Process and Approach

We show strength in numbers.

Talent 2025 is a coalition of more than 90 West Michigan CEOs with a mission to act as a catalyst to ensure an ongoing supply of world-class talent for the region's employers. Our vision is for West Michigan to be a top-20 region for talent by 2025.

Talent 2025 recognizes that employers are key to a region's economic prosperity. Our membership is representative of West Michigan's industries and accounts for approximately 120,000 employees or about 20% of private sector employment.

Talent 2025's CEOs convene stakeholders and facilitate collaborative working groups to drive performance across the talent system to achieve our vision.

Our three-step process is to illuminate, evaluate and advocate for the future success of talent for West Michigan. Our Diversity and Inclusion Working Group played an integral role developing the approach and data found in this report.
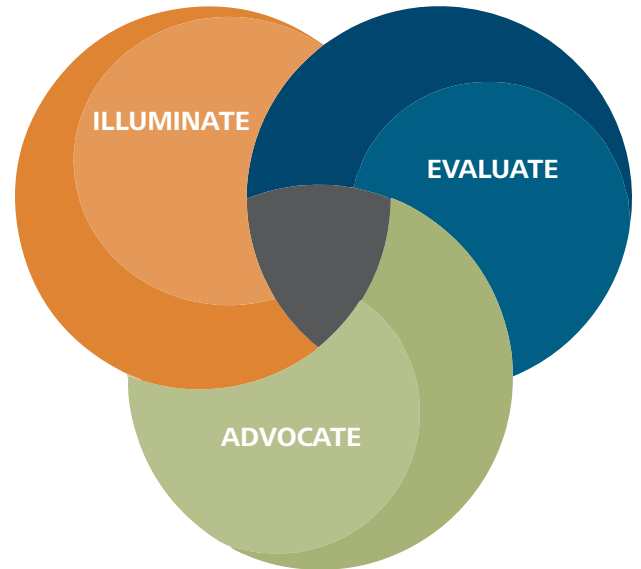
ILLUMINATE – Shed light on performance gaps

- Be a resource for current knowledge and employer best practices in regard to inclusion
- Identify national performance standards for diversity and inclusion that Talent 2025 can utilize to gauge the current state of the region

EVALUATE – Make assessments for solutions

- Develop potential benchmarks to support inclusion and equity within its internal and external communities

ADVOCATE – Support strategies and improvements

- Foster an "Inclusive Growth Agenda" within our member organizations in order to lay the foundation for community impact
- Increase the commitment to Talent 2025's diversity and inclusion value proposition among its members, as well as the broader West Michigan employer community
- Advocate for systemic change around identified issues that limit the region's progress toward equity and inclusion

# REGIONAL VALUE PROPOSITION OF RACIAL EQUITY FOR ECONOMIC DEVELOPMENT

Although the intention of this report is to address all measures of diversity (gender, race, ability, sexual orientation, etc.), a recent publication by the W.K. Kellogg Foundation has provided insight into the economic impact of racial equity that we feel is of note and significance to this report. Released in May 2015, *The Business Case for Racial Equity in Michigan* is a supplement to the W.K. Kellogg Foundation's 2013 report, *The Business Case for Racial Equity*, which had a national focus.

Below, we have provided excerpts from *The Business Case for Racial Equity in Michigan* that support the value proposition of promoting diverse and inclusive companies via the Focus Areas, Suggested Best Practices, and Recommendations for Talent 2025 included in this report. The full report is included in the Appendix, located online at talent2025.org. **(Our findings are in bold print.)**

Findings

Shifting Demographics of Michigan

- By 2040, Michigan's working age population will be smaller by nearly half a million people and its composition will shift from about one-quarter to **one-third being residents color.**

- Currently, 24% of Michigan's 9.9 million people are of color: 76.1% of the population is white, 14.3% is black, 4.7% is Hispanic, and 2.7% is multiple racial. By 2040, Michigan's population will be 31% people of color, and nearly **40% will be children of color.**

- A more diverse workforce in itself will contribute to greater success in an increasingly global economy. **Research has shown that businesses with more diverse workforces have more customers, higher revenues and profits, greater market share, less absenteeism and turnover, and a higher level of commitment to their organization.**

2.7% Multiple Racial

76.1% White

4.7% Hispanic

14.3% Black
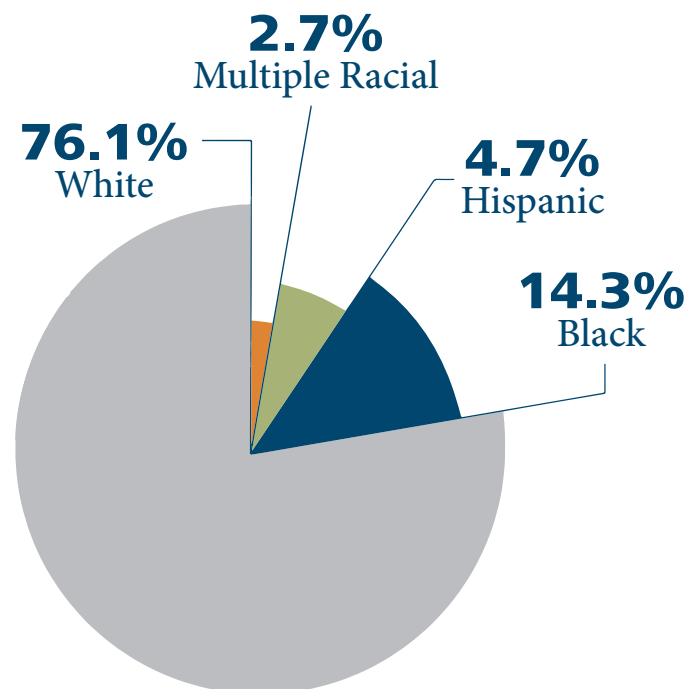
Unemployment in Michigan 2014

- In 2014, when the Michigan unemployment rate was 7.2%, the white rate was 5.8%, the Hispanic rate was 8.8%, and the **black rate was 15.9% – more than double the total rate and more than two and a half times the white rate.**

Michigan's overall unemployment rate in 2014

7.2%

5.8%
White

8.8%
Hispanic

15.9%
African American
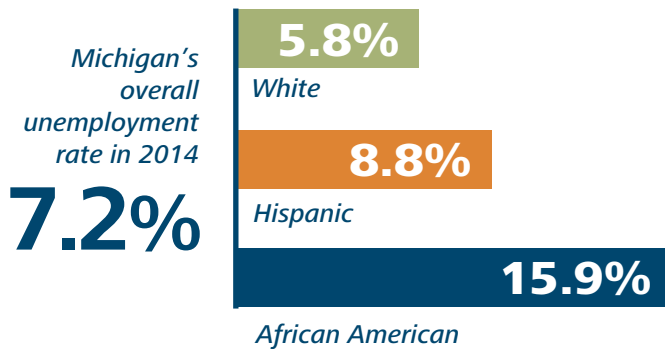
- If the more than 70% of children of color (114,000) aged 0-3 years in Michigan who are currently estimated to be "at risk" **achieved school readiness,** the present value lifetime savings would be **$4.5 billion.**

- With state population growth coming exclusively from communities of color, these impacts will increase over time. By 2040, closing the earnings gap would **increase earnings by 10% or $65.3 billion, increasing Michigan's g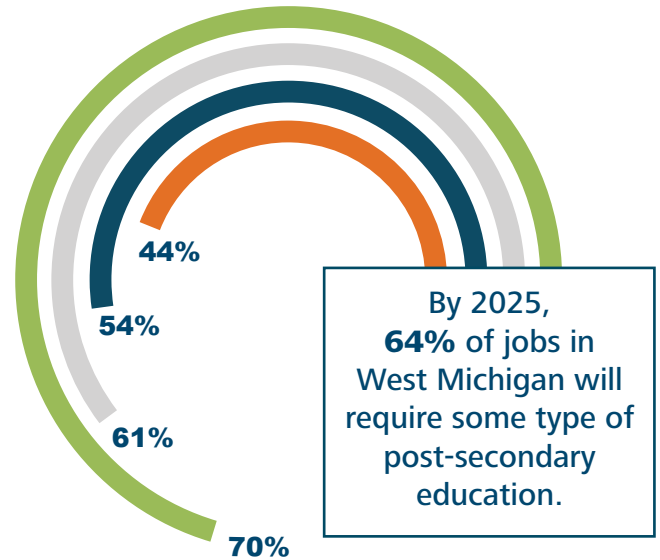ross domestic product by $126 billion,** and the increase in Michigan tax revenues and decrease in outlays would **improve state and local budgets by a net $11 billion.**

Economic development is a clear incentive for racial equity. While increasing equitable access to economic growth opportunity to women, LGBT, veterans, and people with disabilities may not have as intense of an impact, they will likewise contribute to the vibrant economy that will be essential to promote in our region for a sustainable future. Supporting diverse and inclusive workforces in our region's strongest companies – those represented in Talent 2025 – is a critical step for West Michigan. Talent 2025 is uniquely positioned to not only support individual member companies forward in this effort, but to also Illuminate, Evaluate, and Advocate for systemic responses to inclusive growth in our region through the three recommendations in this report.

Inequities

44%

54%

61%

70%

By 2025, **64%** of jobs in West Michigan will require some type of post-secondary education.

Current post-secondary credentials obtained:

- *Credentials required by 2020*
- *Whites*
- *African American*
- *Latinos*
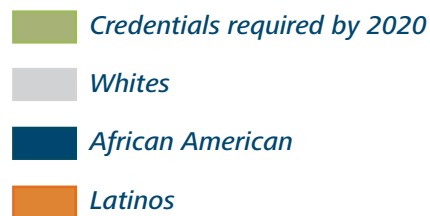
Of the 100 largest metropolitan areas in the United States, **Detroit is the most segregated between whites and blacks, and Grand Rapids is in the top third.**

REPORT INTRODUCTION

Twenty four Member Companies of Talent 2025 participated in the engagement. All companies in the collective were first given the opportunity to volunteer. We then reviewed our list of participants and identified the remaining organizations with the purpose of ensuring diversity of sector, regional representation, and company size. Talent 2025's Inclusion Working Group assisted in identifying members for the engagement. Individual interviews were then scheduled with the companies' CEO and/or other relevant executive-level staff.

We concentrated our inquiry on six Focus Areas that were approved by the Inclusion Work Group and are key to integrating inclusion into the workplace.

Focus Areas

1 **Formal Diversity & Inclusion Plans**
2 **Community Engagement**
3 **Workforce Development**
4 **Recruitment & Retention Efforts**
5 **Diversity & Inclusion Education**
6 **Supplier Diversity Policy**

The report begins with a Summary Chart of the Focus Areas and participating organizations. Any company that reported any level of activity within a given focus area is counted in the percentage of organizations reporting efforts for a given focus area. In order to glean as much transparent information as possible, we assured companies that all other information would either be reported in aggregate or anonymously.

Following the Summary Chart, each Focus Area is presented. The Key Findings in each Focus Area represent strengths and current practices of organizations. While synthesizing data from our inquiry, trends appeared that have been

presented as Indicators to give construct to the Key Findings. The Key Findings are followed by Opportunities for Growth. The data in this section is reflective of the challenges and needs reported by the organizations. Each Focus Area ends with Suggested Best Practices. This information was collected from national sources and is presented as a suggested framework for individual organizations interested in enhancing their work in any given Focus Area.

What Follows the Focus Areas

Two sections of additional input have been included:

The Member Company Recommendations
This section is comprised of responses gathered from the engagement that did not pertain to the Focus Areas. Rather, member companies generated ideas about ways Talent 2025 or the region could support the member companies and an inclusive community as a whole.

The Voice of the Employee
This section highlights results from an open-ended survey conducted with employees in West Michigan.

Conclusion

Based on the data gathered through this engagement, as well as participation in Talent 2025's work groups, Inclusive Performance Strategies is putting forth three Recommendations, available at the end of the report. These are intended for Talent 2025 as a collective entity, not for individual member companies.

Throughout the report, a variety of resources, reports, toolkits, and community organizations are referenced. Further information about all of these sources is available in the Appendix, located online at talent2025.org.

Participating Organizations by Industry

Banking

Waste Management

Professional Services

Manufacturing

Retail

Healthcare & Social Assistance

9
Industries
24
Organizations

Education

Construction

Information

Inquiry Focus Areas

Inquiry Focus Areas	Percent of Participating Organizations Reporting Efforts in Focus Areas
Formal Diversity and Inclusion Plan	50%
Community Engagement	79%
Kindergarten-12th Grade	75%
Undergraduate	79%
Other	29%
Recruitment and Retention Efforts	83%
Diversity and Inclusion Education for Staff	50%
Supplier Diversity Policy	42%

INDICATOR OVERVIEWS
Focus Area 1: Formal Diversity & Inclusion Plans

The intent of our inquiry within this focus area was to understand the level and depth of established diversity and inclusion plans across surveyed employers. We intentionally sought diversity and inclusion plans that encompassed key indicators for effectiveness and sustainability. For example, this may include frameworks that are aligned with the employer's strategic objectives and supported by metrics to measure progress. Realizing an employer's capacity to demonstrate effectiveness in this focus area would vary, we also noted informal efforts that could be a reflection of the employer's genuine intent to embrace diversity and inclusion as an organizational value. We utilized the indicators of *Public Accountability and Transparency, Governance/Oversight, Scorecard/Metrics,* and *Organizational Values* to provide construct for key findings in the focus area.

Key Findings

12 of the 24 employers interviewed reported that their company had formal diversity and inclusion plans. Several employers had comprehensive diversity and inclusion plans that had been developed over an extended period of time and had been initiated with a narrow focus of diversity (i.e. race, gender) before expanding to include others (sexual preference, ability, socioeconomic status).

Public Accountability and Transparency

Several participating employers reported various approaches to public accountability and the transparency of their commitment to diversity and inclusion. Those with community-based clients or clients that have expressed a desire for inclusive companies were more likely to provide public information about their efforts.

- Eleven employers have diversity and inclusion commitment statements and information about their diversity and inclusion plans on their websites. Of these, nine had the information readily accessible, while it was difficult to find the information on websites of three employers. Nine sites offered comprehensive information, while three sites provided only basic overviews or commitment statements.

- Two employers provide annual updates on their progress towards specific objectives on their websites.

- One employer reported utilizing videos of key leaders communicating the importance of inclusion to organizational performance.

- One employer has created an advisory council of external community members to support accountability and transparency.

Governance and Oversight

The approach employers took in providing internal governance and oversight to their diversity and inclusion efforts varied based on area of focus and capacity. Although most oversight vehicles were in Human Resource departments, the reporting structure did provide direct reporting to senior leadership to support accountability and progress. Some employers were able to capitalize on

resources by creating teams across departments and integrating diversity and inclusion criteria into all dimensions of their organization.

- One large financial institution has local, regional, and national staff responsible for implementing diversity and inclusion work.

- Several mid-size employers have at least one diversity and inclusion staff member.

- Other employers have created councils, 'culture teams', 'inclusion resource groups', etc. These groups reach across departments to encompass any employees interested in supporting the company's inclusion goals.

- One educational institution has community members, in addition to staff and faculty, on its diversity council.

- One employer schedules monthly meetings for resource/affinity groups to present their work to senior level leadership each month.

- One employer has a council that is working to equip departments in creating their own action planning. The company reports that this will create ownership within the departments and also alleviates the work load of the council.

Creation of Scorecards/Metrics

The resources and capacity of participating employers influenced their ability to utilize scorecards/metrics to measure the progress and impact of strategic diversity and inclusion efforts. Nearly half of the employers reported utilizing at least a fundamental approach of tracking employee demographics for recruitment and retention. Several reported utilizing national-level benchmarks in their Human Resources practices, including but not limited to:

- *Federal Equal Employment Opportunity Commission* **standards**

- *Corporate Equality Index Score* (specific to LGBT workplace equality)

- *Best and Brightest Places to Work Assessments* (which include indicators for an inclusive workforce)

- *Scorecard for Inclusive Excellence* by Dr. Damon A. Williams

Examples and/or information about these tools are available in the Appendix, located online at talent2025.org.

Two employers adapted the *Scorecard for Inclusive Excellence,* with one simultaneously adopting twenty recommendations for action suggested by an external consultant.

Twelve employers have developed customized diversity and inclusion plans. Several enlisted the assistance of outside consultants, while others utilized internal expertise. The plans include some or all of the following:

- Dashboards to demonstrate benchmarks and progress against key performance indicators.

- Objectives directly linked to the overall goals of the company.

- Values statements, commitments, and expectations built into position descriptions.

- Recruitment and retention objectives directly linked to employee performance reviews.

- Quantitative data with real-time meaningful use, supported by qualitative data.

- Historical data from the past 3-5 years.

- Tracking turnover and retention rates for women and people of color.

- Expanding previous inclusion strategies to include gender identity and sexual preference in addition to race and gender.

Several employers have intentionally chosen to not adopt diversity and inclusion plans for one of the following reasons:

1. The company reported that it did not have enough internal capacity or resources.

2. The company did not want to become too 'numbers focused' or lose the 'natural feeling' of the culture it has fostered.

Organizational Values

Several employers have gone through the work of creating company definitions of diversity and inclusion, as well as anti-racism statements. They reported that, during the development phase of these products, they were able to create buy-in from employees. After development, these products encourage dialog within the company and create a common language for discussing inclusion. Some employers reported that they have been able to set precedence in their fields with their commitment statements.

Opportunities for Growth

- Some employers reported looking for Best Practices to replicate when formulating a diversity/inclusion plan. Although this approach is widely utilized, direct replication can be ineffective if an assessment of the company's current state and needs has not been implemented.

- Several lacked effective data-driven decision-making processes; they do not disaggregate their data or reported not fully understanding how to disaggregate effectively for enhanced decision making.

- Some are unsure of how to ensure improvement without adopting a cumbersome plan that becomes too numbers oriented.

- Several employers expressed an interest in learning how to develop diversity and inclusion goals and metrics that are integrated into the overall goals of the company.

- Some reported that within their industries, there is not a clear external value proposition for commitments to inclusion; customers have not expressed a particular desire or need to hire inclusive companies. As a result, there must be a commitment to the internal value proposition (talent acquisition and retention, high performing teams, etc.) for commitment to inclusion.

- Smaller employers working in non-diverse communities reported that they are seeking to be representative – but never need to hire outside of West Michigan.

- Companies report feeling comfortable working on 'organic commitments.' Implementing processes for measuring effectiveness without losing genuine intent could be a potential challenge.

- Several employers have multiple components of a potential framework that are currently being operationalized, but are not linked together into a measurable plan.

Suggested Best Practices

Calvert Investments, a leader in sustainable and responsible investments, publishes an annual Diversity Report* that ranks the top S+P 100 companies according to 10 indicators. While comparatively smaller employers will likely be unable to reach the same level of commitment as S+P 100 companies due to resource constraints, the indicators utilized by Calvert are comprehensive and can be adopted at some level by any size employer.

* The full 2015 Calvert Diversity Report is available in the Appendix, located online at talent2025.org. Calvert utilizes a point-based system with companies ranked 0-100. Ten S&P 100 companies scored 95 points, including Citigroup, Dow Chemical, Microsoft, Lockheed Martin, and others.

Employers interested in developing or enhancing a diversity and inclusion plan may consider utilizing these indicators:

1 Equal Employment Opportunity Policies

Specifically measured for the LGBT workforce because there is currently no federal mandate for that population.

2 Internal Diversity Initiatives

Measured by the presence of mandatory trainings, leadership development, mentoring, or Employee Resource Groups

3 External Diversity Initiative

Measured through evidence of recruitment/outreach programs and supplier diversity programs

4 Scope of Diversity Initiatives

Scored by the breadth of corporate diversity strategies by group, race/ethnicity, gender, LGBT, disability, etc.

5 Family Friendly Benefits

Assessed based on company programs designed to accommodate the changing structures of contemporary households. This could include flex-work, adoption assistance, dependent care, domestic partner benefits, etc.

6 Disclosure of Demographic Data

This indicator examines how publicly transparent a company is about its demographic data.

7 Highest-Paid Executives

The gender and racial diversity of the highest paid executives is examined.

8 Board Representation

The gender and minority representation in the boardroom is assessed.

9 Director Selection Criteria

Evaluates the nomination and selection guidelines for board selection.

10 Overall Corporate Commitments

Oversight vehicles are evaluated; measuring the presence of board oversight of diversity programs, established diversity councils, CEO or executive involvement in inclusion initiatives, and compensation structures tied to diversity objectives.

INDICATOR OVERVIEWS
Focus Area 2: Community Engagement

We asked participating employers to present an overview of their efforts to intentionally engage communities of color as a diversity and inclusion objective. Although most reported efforts that were based on a corporate branding or social responsibility strategy, we sought efforts that supported community partnering with underserved groups. The rationale behind our inquiry was to gauge the depth of a companies' engagement and intended outcome. We utilized *Community Partnerships* and *Promoting Quality of Life* to provide construct for our findings.

Key Findings

19 of the 24 employers reported some level of community engagement. Most reported formal and ongoing efforts, while some describe their efforts as more responsive and not strategically planned.

Community Partnerships

Employers reported utilizing event sponsorships as their most common practice to engage diverse community groups. However, there were several who reported having an intentional structure to obtain input from diverse community members about their engagement or partnering efforts.

- One employer reported utilizing their Diversity Council to review all current sponsorships and evaluate whether sponsorships can be considered as supporting diverse communities. For those sponsorships that do support diverse communities, the Council is evaluating their impact as well as the sponsorships' effect on the company's relationship with communities of color.

- Several employers reported collaborating with trusted grassroots organizations such as West Michigan Center for Arts and Technology (WMCAT), the local chapters of the NAACP, African American sororities and fraternities, local churches, the Hispanic Chamber of Commerce, the Grand Rapids Urban League, Heart of West Michigan United Way, and Love, Inc., etc. in order to engage communities of color.

- One employer developed a company "Volunteer Days Off" policy to encourage volunteerism without employees using vacation days to do so.

- A common practice among many participating employers was for executive leadership (CEO, VP, etc.) to join nonprofit boards for agencies specifically addressing issues of underserved populations or minority groups, creating a valuable network tie and access for grassroots organizations to private sector leadership.

- Several employers utilize their resource/affinity groups in community engagement by providing them with budgets to organize community events related to their group. This relieves the company marketing team while also empowering the resource groups to impact their community and represent their company.

- One employer reported that their company utilized data from a community needs assessment to design community engagement strategies that will address specific needs of target populations.

- A healthcare provider utilizes advisory councils to engage diverse community members and obtain input on the development of services and facilities.

Promoting Quality of Life

Many employers reported a commitment to community engagement that promoted quality of life for underserved populations. The were usually able to articulate beyond the motivation that such activities were 'the right thing to do.' By engaging in community service initiatives, employers are able to contribute to providing skill sets and resources to lift underserved populations up, building a more sustainable and successful community from which all can benefit.

- One employer regularly meets with leaders from the local public school systems to learn about student population needs in order to prioritize community engagement efforts effectively.

- Several companies conduct outreach services, such as literacy programs, sponsoring mobile pantries, or mobile financial services, increasing access of such services for underserved communities.

- A financial institution regularly provides financial literacy and budgeting classes to the community.

- An educational institution meets with local real estate agents and land developers to enforce the need and rationale for affordable housing, particularly for students.

- A manufacturing company has sponsored the art programs of its local schools and displays student's projects at its headquarters.

- Two educational institutions regularly engage law enforcement to promote trusted relationships between students and local police. For one institution, this manifests through events it hosts for students to talk with law enforcement. For the other institution, it has positioned itself to serve as a mediator when situations with law enforcement arise, pointing out potential biases in law enforcement.

Opportunities for Growth

- Employers that have worked with grassroots partnerships report that some community partners that have strong connections to communities of color do not have enough capacity or structure to be effective in working with their companies.

- Participants have reported that when organizations are committed to diversity bring a strong influx of diverse talent into otherwise homogeneous populations, challenges can arise. One employer has consequently made a commitment to strong relationships with local newspapers and other stakeholders to promote inclusion in the community in addition to its internal work.

- One reported that, while they have a strong desire to advocate for and participate in creating an inclusive community culture, they do not have the expertise or capacity to lead the effort. While they have the funding and interest, they have been unable to identify a capable and willing community partner thus far.

- One educational institution recognized it had too many youth initiatives to sustain in the long term. Because resources were spread thin, the impact they were able to make was limited. The institution decided to focus on Hispanic youth and has since seen a dramatic increase in their Hispanic student population.

Suggested Best Practices

Each year The Conference Board releases its annual report *The Civic 50: Best Practices in Corporate Community Engagement.* The report highlights the top 50 global companies and the best practices they share in common. The following is a summary of these four key areas:

Investment

1 Rather than spending corporate dollars on every request a company receives, companies strategically invest their resources. This may manifest through mini-grants, providing employee time and skills, and by taking leadership and advocacy positions on social issues to advance change related to their industry. For example, Motorola Solutions has become the industry sponsor for Chicago Vocational Career Academy, and FedEx has begun a campaign focusing on pedestrian safety.

Integration

2 80% of Civic 50 companies connect their community engagement programs with key business functions. ConAgra links marketing specific food products with donated meals to Feeding America in a campaign to end childhood hunger. The program exceeded its goal to deliver three million meals and participating food brands saw an average 39% return on their investment in the program.

Institutionalization

3 50% of Civic 50 companies include community engagement work in performance reviews for at least some employees. Comcast and Verizon have strong institutional support for corporate volunteerism. Western Union incentivizes staff to develop new products that benefit a social cause or source from socially responsible vendors by providing company assets for 'Social Ventures.'

Impact

4 64% of Civic 50 companies track quantitative social outcome measures for funding given. 36% track quantitative social outcome measures for volunteerism. TFS not only measures number of company volunteers, hours given, or dollars allocated. It also tracks community impact, employee engagement, and company reputation.

INDICATOR OVERVIEWS
Focus Area 3: Workforce Development

Creating a strong pipeline of future talent is essential to the long term success of any sector. For the purposes of this survey, companies shared insight into efforts to engage K-12 and undergraduate students, as well as other specific population groups. Engagement was considered in workforce development if the activities specifically pertained to equipping participants to join the workforce or to encourage interest in the company's sector. The categories *Kindergarten-12th Grades, Undergraduate Schools*, and *Other Populations* were used to provide construct to our findings.

Key Findings

Of the 24 employers that participated, 18 conducted workforce development with Kindergarten-12th grades, 19 did work with undergraduate students, and 7 reported some other kind of workforce development. This could include work with graduate level students, providing support for certification programs, or other non-traditional pipeline development activities.

Kindergarten-12th Grades

Exposing students to career possibilities early on in their education is a critical first step to developing pipelines of future diverse talent. As students progress through the pipeline, they are able to take advantage of more advanced career exploration activities. Companies reported supporting career engagement early on through tours and mentoring as well as later in students' school careers through internships, scholarships, and college preparation.

- The majority of the employers expose elementary and middle school students to sector specific career options through tours of their companies.

- Several employers partner with the West Michigan Center for Arts and Technology by support of the school programming WMCAT offers.

- Many attend college and career day fairs at middle and high schools across the region.

- Four employers reported offering programming in the schools, including a robotics program, organizing a computer science camp, providing civics classes, and

teaching financial literacy. While these opportunities are not exclusively designed for diverse students, they are usually offered in diverse school systems.

- One employer demonstrated commitment to its local school and a willingness to partner effectively by listening to school representatives explain the needs and desires of the community. The company originally wanted to bring in STEM programming but first implemented an arts program in response to direction from school leadership. This allowed the company to develop a trusting relationship with the school and it has since deepened its engagement with the students.

- All of the educational institutions surveyed reported robust college preparatory programs, many of which target students of color. More information about these programs is available in the Appendix, located online at talent2025.org.

- Several employers have developed mentoring programs in partnership with their local school district.

- Many organizations reported involvement with Junior Achievement, a national organization which works to inspire and prepare young people to succeed in the global economy. One national organization participated in the creation of an online learning module for students about STEM careers by conducting a video interview with one of its employees.

- Recognizing the opportunity to address educational disparities, one organization launched a youth program targeting students in the 'invisible middle' – those that are neither failing nor thriving but are likely to graduate high school without a true sense of direction. The program lasts for one year and provides students with guest speakers, mentors, paid summer internships rotating through departments across the company (manufacturing, IT, marketing, etc.), learned soft and hard skills, and a final project assignment presented to the executive team of the company.

- One manufacturing company regularly hires students interested in manufacturing as part-time employees, working around their school schedules. The company then provides students with scholarships to complete two-year degrees.

- Another manufacturing company has identified specific groups of male Hispanic students at risk of not graduating high school. These cohorts have been employed part-time at the company. Additionally, they are given tasks that encourage team work and innovation and are mentored regularly by the CEO of the company. Transportation to and from their homes is also provided.

- One educational institution has launched an Early College program. Students have the opportunity to earn a two-year associate degree free of charge by their first year out of high school. The college selects students in the 11th grade who then take college level credits through 'grade 13' to complete their associate degree shortly after graduating from high school.

- Several companies are working together across sectors to bring together their Information Technology departments to provide programming in underserved schools. Organizations pool their resources and provide sponsorships for teachers to learn how to use technology in the classroom, as well as provide resources to expose students to technology.

Undergraduates

Committing to workforce development at the undergraduate level can have direct benefits for the company. Students participating in programming or internships will begin building company loyalty and may be able to enter into the company's workforce with a better understanding of company culture and values. Participating organizations primarily reported on internship engagements with students, though some companies have supported scholarships or created strategies for recruiting students into fields relevant to their sector.

- One company has conducted conversations with students about what can be done to better retain millennial talent.

- One employer seeks out capable students from majors that do not directly align with their sector. The company provides internships in order to pull potential talent into a sector they may not have otherwise considered.

- Several provide scholarships to diverse students.

- One educational institute provides mentoring and extra resources to marginalized students, particularly those from the foster care system that are entering college.

- Nearly every organization provides internship opportunities. Several utilize the AmeriCorps program, but have reported that because AmeriCorps itself does not have many diverse students, utilizing that partnership can result in limited diversity among interns.

- Several organizations support Muskegon Promise and Challenge Scholars, two programs designed to provide post-secondary education funding to underserved students by identifying and supporting students early in their education (middle school).

- One identifies women students at Grand Valley State University studying in under-represented fields. After students are identified, the organization connects the students to female professionals in the community working in the student's field of interest.

- Several companies support and partner with Grand Rapids Community College's Alpha Beta Omega program for African American male students.

- One employer reported that their company is highly intentional about the diversity of their intern pools. The organization currently has 25 summer interns, 60% of whom are diverse. The company accomplished this by insisting the campuses they partner with have a certain percentage of diverse students before they can discuss developing internships at the company. The same company has a longer-term internship and training program with 20 students in the program at any time; 80% of this group is diverse.

- Some employers in engineering and technology sectors have reported they are beginning to notice gender and racial diversity significantly increase in pools of graduates. Because of this, these companies are more likely to hire new graduates and offer support to supplement their lack of experience.

Other Efforts

Aside from working with student populations, several organizations reported innovative initiatives to develop the workforce, including community partnerships and internal workforce development.

- One community college was awarded the opportunity to launch the Michigan New Jobs Training Program. Designed as an economic development tool, the Michigan New Jobs Training Program allows community colleges to provide free training for employers that are creating new jobs and/or expanding operations in Michigan. The training for the

newly hired workers is paid by capturing the state income tax associated with the new employees' wages. More information about the Michigan New Jobs Training Program is available in the Appendix, located online at talent2025.org.

- One company with employees in trades pairs unseasoned new hires with seasoned employees to learn trades on the job.

- One organization reported offering tuition assistance both for employees and for the children of any full time employees.

- One company is piloting a program in which it partners with a local nonprofit to identify groups of community members that can come to the company and be employed as a team in entry level positions, with support and interpretation (as needed) offered by the nonprofit. Transportation and other potential barriers are being addressed by the company.

Opportunities for Growth

- Some companies have struggled to identify natural in-roads for pipeline development below the college level because they want to ensure that the investment of their resources will have a direct return for their own company.

- It was reported that the finance sector includes smaller employers that are less concerned about investing in college-level pipeline development because they do not need talent with particular degrees, while other larger employers in the same sector do need specialized talent. As a result, companies large and small in the private sector have difficulty collaborating.

- While many employers offer tours to students, they may not have formal engagement with schools or other means of pipeline development. As a result, there is no way to measure their impact.

- Some companies reported avoiding internship programs because they would prefer to simply hire new employees. This can limit students' opportunities to explore different sectors and specialties before applying for full-time employment. It also reduces opportunities for students to gain experience through positions that are not as competitive to obtain as full-time employment.

- Several companies reported receiving interns through personal relationships with professors at schools, which can limit the diversity of intern pools.

- Minority-owned or women-owned businesses reported focusing their workforce development efforts on their own demographic, which can prove to be both a strength and a challenge.

- Talented, diverse interns are likely to be recruited away from smaller companies by larger companies. Smaller companies have reported they have difficulty strategizing for ways to retain diverse interns.

- While almost all companies reported an understanding that workforce development is a 'good and important' thing in which to invest resources, they also reported having difficulty discerning what engagement techniques actually bring results.

Suggested Best Practices

Because Workforce Development is a community-wide concern, published research and best practices focus on collective efforts to address the need to develop new pools of diverse talent. It is therefore suggested that companies utilize their connection with Talent 2025 to ensure alignment between the efforts of individual companies and collectives. Specifically, there is a documented national trend in two practices:

1
Moving workforce development from a supply-side focus to a demand-side focus.

Rather than educate new talent with an assumed set of skills, it is suggested that industries work closely with educational institutions to define curriculums to meet the changing needs of the industry. Because this is an area already in development through Talent 2025, member companies advocating in support of Talent 2025's efforts is a natural fit. (Emily J. Brown, Shifting Workforce Development into High Gear, Washington, DC: International Economic Development Council, 2015)

2
Viewing workforce development as a long-term commitment.

As demand for skilled and diverse workforces increase, it will be essential to consider strategies that engage talent re-entering the workforce from retirement and incarceration, as well as seasoned talent that could transition from low-skill to high-skill positions with the support of development and training opportunities. (Elisabeth Jacobs, Principles for Reforming Workforce Development and Human Capital Policies in the United States, Washington, DC: Brookings, 2013)

INDICATOR OVERVIEWS
Focus Area 4: Recruitment & Retention

Participants were asked to report on the policies and practices used by their organization to recruit and retain diverse professionals. While frustration at the lack of diverse candidates available to the region was a key theme in the conversations, companies employ a broad spectrum of strategies to address the need for diverse talent. *Strategic Talent Planning, Hiring Metrics, Community Partnerships, Onboarding, Mentoring,* and *Employee Benefits* were key indicators that emerged from the conversations.

Key Findings

20 employers reported structured programs and processes for intentionally retaining and recruiting diverse talent. While several strategies and activities presented are specifically aimed at recruiting diverse talent, some employers reported practices that are targeted towards creating an environment where every employee is valued and provided with opportunities to excel. If strategies aimed at diverse talent are authentic in their intent and impact, or if the cultural differences of diverse talent are taken into consideration for more overarching approaches, either model can be effective.

Strategic Talent Planning

In order to effectively design and implement recruitment and retention strategies, employers reported data-driven decision making and focusing on specific strategies to reach target populations.

- Several organizations track how talent progresses through the organization, from internships to the executive level.

- Several participating organizations routinely utilizes employee satisfaction data in their policy making process. One such company's employees reported that they wanted to be more involved in decision making, so the company is examining how to integrate the voice of the employee into their processes.

- One company has begun bringing emeritus employees back into the workforce to foster an inter-generational culture.

- One professional services organization reports focusing on capturing 'boomerang' talent returning to Michigan by offering better growth and advancement opportunities than what was available to them in larger firms and cities.

Hiring Metrics

Many employers reported that diverse employees are not difficult to obtain for front-line or entry level positions; the need is greater for management level and above. To ensure recruiting goals are accomplished, companies have developed various metrics and expectations for their Human Resources staff.

- One has defined its candidate pools as slates, with the goal to eliminate all Single Slates and increase Full Slates:

  Single Slate
  No diversity (even if the entire pool is Hispanic female, for instance).

  Full Slate
  Candidates representing each race and gender in comparison to national availability for that job (i.e. if 20% of engineers are African American males, nationally, then 20% of the candidate pool for an engineering position should be African American male).

  Partial Slate
  Candidates are representative of anything between a full and single slate.

- Several employers reported that the compensation structure of Human Resource staff are tied to diversity.

- One reported that their Human Resource team is required to have 33% of every candidate pool be diverse.

Community Partnerships

Several organizations reported expanding their network of diverse candidates to choose from by utilizing strategic partnerships with community organizations.

- One organization is currently working with the Grand Rapids Chamber of Commerce to identify and hire people that have left Michigan and are now returning.

- One company partners with the Hispanic Chamber of Commerce during their recruiting process.

- A manufacturing company reported that because their organization is heavily involved in the minority communities in their neighborhood, community organizations and individuals from the community regularly encourage diverse talent to apply.

- Several companies are willing to partner with other companies cross-sector to share candidates for prospective recruiting needs. If the original company does not hire the candidate, they will pass the resume of the candidate on to partners.

- Three companies have partnered with Michigan Works to launch the Veteran's Explorers Program. For one company, this has resulted in 80% of participants moving from temporary to permanent employment.

Onboarding

As new talent is hired, employers have the opportunity to teach employees about the culture of the company. Additionally, companies have the opportunity to include cultural training that provides employees tools for interacting with others. Training during the onboarding process is a valuable opportunity to foster inclusivity within a company.

- One company on-boards minority professionals with a session explaining any 'unwritten rules' of the company culture, who they should know within the company and why, and how to be proactive.

- An international company provides an extended onboarding process, and provides new employees with a binder containing the background and values of the company.

- Several employers reported a willingness to hire a diverse candidate that may lack experience but demonstrates potential, knowing the company will then provide the resources to support the new hire in acquiring needed skills.

Mentoring

Even established employees benefit from non-traditional support mechanisms. Several employers promote mentorship and career planning between senior and entry-level staff.

- One organization hosts monthly meetings for Resource Groups to report out to executive staff. Leadership is then encouraged to join resource groups as allies and to mentor members in the resource groups.

- One company reports that it is intentional about fast-tracking women and minority professionals that are

early in career to leadership positions quicker than the traditional routes may offer, while also providing career planning, mentoring, and succession planning to support them.

- One organization has implemented 'Catalytic Coaching': employees are set up with manager-coaches that help with personal and professional development. This includes 5-year goal setting with tactics for the company to support those goals. The process has been separated from any commitments to pay increases. However, employees have reported increased job satisfaction because they receive greater responsibilities in line with their professional goals and are supported to ensure they are successful.

- Employees at the director level are trained as mentors. The next generation of leadership has already been identified and individuals are being coached by the director-mentors. When the current directors retire, the next group of employees will already be positioned to move up successfully.

Employee Resource Groups

A common practice among larger employers are Employee Resource Groups, which offer opportunities for groups of employees that share cultural characteristics to create a network of support. Several employers offer special professional development opportunities for groups. Others encourage the groups to produce community engagement events. Some employers also use their resource groups as advisors in the company's inclusion efforts.

- Employers reported that their organizations had formed resource groups for Hispanic, African American, Millennial, Veteran, and LGBT employees.

- One organization encourages female employees and provides for their participation in InForum.

- Many resource groups are given budgets to conduct community outreach with population groups that mirror the composition of that particular resource group.

- Several organizations have reported that their resource groups provide quality referrals for future talent. One organization used to retain white talent at a 20% higher rate than minority talent. After strengthening their resource group structure, that company has been able to equalize their retention across all groups.

> A manufacturing company reported that because their organization is heavily involved in the minority communities in their neighborhood, community organizations and individuals from the community regularly encourage diverse talent to apply.

Employee Benefits

Beyond traditional health insurance and retirement plans, several employers offer additional benefits to employees that they report contribute to retention. The following includes several examples of such benefits:

- Three employers specifically referenced that they offer same-sex partner benefits.

- Several employers offer tuition assistance for employees. One reports offering tuition assistance for the children of employees, as well.

- One offers paid leave for parents with certain school day needs for their children

- One has invested over $100,000 in its employees through Grand Rapids Community College's technical schools; it is committed to training its own workforce since it has been unable to source needed talent from the outside.

- One provides financial literacy training for employees.

- Another has a partnership with PNC Bank to provide on-site financial services to employees.

- Several employers provide GED programs, or have resource lists and connections to outside GED programs.

- One provides an on-site social worker that can refer employees to needed resources. Two companies offer on-site counseling for employees.

Opportunities for Growth

- The majority of employers reported frustration with the limited candidate pools available to them when seeking to hire diverse candidates, particularly for highly specialized positions in technology, manufacturing, and professional services. To compensate for limited pools, companies must often extend their search period or the geographic reach of their recruiting efforts.

- The majority of employers also reported that the largest gap in minority representation is in leadership and upper-level management as opposed to entry-level positions.

- Some reported that they were unable to recruit minority talent despite investing in outside recruiters or head hunters. One company expressed it was uninterested and unconvinced that outside recruiting efforts were effective or worth the additional investment.

- Several reported difficulty in attracting and retaining diverse candidates when other employers located in the region are trying to recruit the same talent. This is exacerbated by employers that report they consider it a best practice to gain diverse talent by recruiting people already established at other local companies.

- In industries with overall low diverse representation, employers have reported the need to focus the majority of their efforts on supporting emerging talent in K-12 and undergraduate schools. The challenge arises in ensuring a direct beneficial impact for the company investing in pipeline development.

- Although the majority of employers understand the value of a diverse workforce, many still struggle to create strategies to integrate citizens returning from incarceration into their candidate pools. While some companies are limited by restrictions from government contracts, others could consider aligning with Goodwill or another community partner with expertise in re-entry programming.

- Some employers have attempted to launch a variety of affinity groups, but have been more successful with some demographics than others. For example, several have reported that their millennial resource groups are strong, while other groups focusing on racial minorities struggle to formalize. One employer expressed hesitation at beginning a millennial resource group because they feared the group would take too many members from other groups.

- Some industries, particularly finance and technology, have greater difficulty securing gender diversity than racial diversity. One firm reports strong gender diversity for employees with 7 years' experience or less, but the ratio drops to 90:10 after 7-11 years.

- One educational institution reports that its highest satisfaction rate is with African American students, although this group also has the lowest retention rate. The institution is now looking deeper into underlying causes.

- Several employers reported that they have lost professionals of color not because of the company culture, but because employees must live in a non-diverse community to work with the company, and that can prove difficult. Other companies have specifically referenced the difficulty of on-boarding transplant talent from other cities into communities like Holland and Grand Rapids that are traditionally very close-knit.

- Employers report that because the strongest sources for future recruitment are often current employees, it can be difficult to break a cycle of homogeneous hiring when the current employee demographics are not diverse.

Suggested Best Practices

The Association for Talent Development recommends integrating diversity and inclusion measures throughout the lifecycle of a company's employee. This includes *Selection, Onboarding, Employee Development, Performance Management, Career Development,* and *Succession Planning.*

Of the association's suggested strategies in each of these areas, we have identified the following as particularly meaningful:

1 Selection
A. Evaluate job descriptions for unintended biases.
B. Eliminate job posting criteria such as advanced degrees and language proficiency unless they are critical to the job responsibilities.
C. Set expectations for a diverse slate of candidates.
D. Build partnerships with schools and universities.
E. Leverage employee resource groups as a source for referrals.
F. Track recruitment data to establish benchmarks and identify gaps.

2 Onboarding
A. Create consistent onboarding processes that include expected outcomes, introductions to key relationships, and access to resources.
B. Provide clarity to all employees about how to succeed in the company.
C. Introduce new employees to employee resource groups.
D. Provide peer coaching across cultural backgrounds.

3 Employee Development
A. Encourage managers to become mentors.
B. Set clear learning objectives for inclusion.
C. Embed diversity and inclusion practices into all leadership and management training.
D. Ensure timely feedback to all employees about performance.

4 Performance Management
A. Build awareness of how biases effect views of performance.
B. Encourage managers to question assumptions about what good performance looks like to promote innovation and risk taking.
C. Communicate the connection of diversity and inclusion to employees; their own expected contribution and the value of the overall strategy.
D. Set goals for all employees to create a more inclusive environment.

5 Career Development
A. Ensure career paths are visible to all in the organization, with clear communication about what it takes to succeed.
B. Establish a mentoring circle for a cohort of diverse individuals to build their knowledge and networking connections.

6 Succession Planning
A. Analyze the diversity of current succession plans.
B. Assess whether opportunities for stretch assignments are being limited to dominant groups or are being equitably offered to diverse employees.
C. Challenge assumptions about who is interested and ready to be promoted.
D. Ensure all candidates in succession pipelines have equitable access to development opportunities.

Diversity and inclusion education is an essential component of supporting an inclusive workplace. Participants were asked to describe what was offered to staff and to speak to the effectiveness of their efforts. Educational opportunities were defined broadly and could include workshops, in-services, guest speakers, events, or programs designed to increase the cultural awareness of employees. We utilized *Mandatory Participation, External Training, Adaptive Education Models, Unconscious Bias Training, Speaker Engagements,* and *Informal Opportunities* as indicators to provide structure to our findings.

Key Findings

12 participating employers report offering some form of Diversity and Inclusion education for staff. These educational opportunities are used as a means to train staff on effective communication and teamwork, as well as to inform the ongoing organizational conversation regarding diversity and inclusion. Effective communication before the training is offered and intentional follow up afterwards is highly recommended.

Educational opportunities were defined broadly and could include workshops, in-services, guest speakers, events, or programs designed to increase the cultural awareness of employees.

Mandatory Participation

A number of employers require mandatory participation in diversity and inclusion trainings. Mandatory participation ensures that every employee will gain a common platform of knowledge. Employees are provided with tools and awareness that help shift the organizational culture, and are equipped with the time and resources needed to develop critical skills in inclusive leadership. In order for mandatory participation to be effective, organizations must make the value proposition of the training clear to employees.

- Several employers require all leadership, from management to executive staff, to participate in diversity and inclusion trainings.

- Others require the entire staff to participate in some form of competency or awareness training; one such organization has built diversity education into the orientation session for every employee.

- One ties the completion of online learning modules (which include sections for diversity and inclusion) into the performance evaluations of its staff.

External Training

Utilizing external expertise allows organizations to outsource training, which can be costly to develop internally. Additionally, off-site community resources can create "safe spaces" for employees to participate in outside of their regular work environment.

More information about all of the programs listed below is available in the Appendix, located online at talent2025.org.

- One educational institution has partnered with the **Center for Holocaust and Genocide Studies** and the **Center for Healing Racism** to bring classes to their campus that are both open to the community and available for credit to students.

- Several employers invite **Diversity Theater** to come and do shows on-site about common workplace inclusion issues, including discrimination, stereotyping, cross cultural conflict, and other topics. More information.

- Several others encourage employees to participate in the **Institute for Healing Racism's two day seminar, "Facing Racism."**

- One employer encourages employees to attend the **Partners for a Racism Free Community's monthly lunch-and-learn.**

Adaptive Education Models

Several employers utilize online modules that can be accessed at any time by all employees. These modules are frequently offered in the same platform as other company trainings, so accessing the material is a familiar process for employees. While online learning platforms can be convenient and low-pressure learning tools, they are usually cost-prohibitive for smaller employers. In addition, relying solely on online training options can decrease opportunity for workplace conversations and team accountability.

- One employer allows employees to track their progress through modules. Progress is then reviewed during performance evaluations.

- Another makes participation in online diversity and inclusion training mandatory, although employees have the freedom to choose modules that are particularly interesting to them within the diversity and inclusion tract.

Unconscious Bias Training

The majority of organizations that offer ongoing inclusion education focus on unconscious/implicit bias. Because every individual, regardless of background, has unconscious biases, focusing on identifying and managing unconscious bias can be an effective way of strategizing across differences without targeting specific groups. Organizations that utilize implicit bias trainings use one or all of the following focus areas:

- Identifying how unconscious biases effect leadership or team building.

- Identifying how unconscious biases influence in decision making.

- Identifying how unconscious biases effect seemingly 'neutral' policies and practices.

- Creating strategies for teams and individuals to recognize and address unconscious biases.

Speaker Engagement

Engaging national and international speakers renowned for their expertise in specific diversity and inclusion topics is an educational method that can not only impact staff, but can serve as an opportunity for the company to affirm its commitment to inclusion to the larger community by inviting them to attend the event. This is a method typically employed by larger corporations and educational institutions, but there is opportunity for smaller organizations to participate through strategic partnership.

- Larger corporations bring in speakers to address their staff or host corporate "universities" in which all staff are able to participate in hosted activities and open conversation.

- Every educational institution reported hosting lecture series that are open to the community.

- Before speakers arrive, one educational institution equips faculty with guides for discussion, released bulletins in the campus newsletter, and created a training for advisors to know how to respond to feedback from students.

Informal Opportunities

Employers may provide opportunities outside of formal lectures or trainings that enhance a company culture of inclusion or support an increased awareness of the value of cultural differences.

- One created a company-wide cookbook and used it as an opportunity to celebrate cultural differences among employees. The cookbook is also distributed to customers to raise awareness and start conversations.

- One employer has a global employee exchange program. While these are temporary exchanges, the program does bring diversity of thought to different branches and encourages an inclusive culture.

Opportunities for Growth

- Organizations that do not require and/or do not have formal continuing education or learning opportunities for employees report one of two reasons:
  - A lack of resources.
  - Diversity and Inclusion education is not currently a priority.

- Some employers rely on mentors and supervisors to give intercultural training to employees on an as-needed basis for the purpose of working with international employees. More formal structures would relieve the strain on management as well as improve consistency and reliability of content.

- It is possible to offer online training that is too robust; one employer reported that they have noticed they may be offering too many options, minimizing impact.

- Companies with employees in older generations have been met with resistance about diversity and inclusion initiatives, especially about LGBT issues.

- Minority owned employers have reported that they do not need employee education because inclusion is inherent in their company culture.

Engaging national and international speakers renowned for their expertise in specific diversity and inclusion topics is an educational method that can not only impact staff, but can serve as an opportunity for the company to affirm its commitment to inclusion to the larger community by inviting them to attend the event.

Suggested Best Practices

1 ## Process

NASA has a robust plan for implementing their diversity and inclusion work. Although the actual delivery of their programming is more extensive than most companies could replicate, the strategies and action steps they have in place to ensure continuous diversity and inclusion education and skills development are easily adopted:

A. Regularly assess current state of diversity and inclusion training and development opportunities, ensuring the objectives and impact of opportunities are linked to NASA's business case for diversity and inclusion.

B. Ensure resources are readily available to all employees.

C. Develop a communication strategy to educate and engage all stakeholders.

2 ## Products

In 2012, Diversity Executive published a report outlining the trends in diversity and inclusion training from the 1960's to 2012. The report also outlined common 'traps' and best practices for companies to consider when designing diversity and inclusion education.

3 ## Ineffective Training

'One and done' opportunities that do not provide for integrated or multi-layered curriculum.

- Training focused on one dimension of diversity (gender, race, ability, etc).
- Training that is compliance driven versus business centered.
- Training that is not customized to the industry or company.
- Training that is not part of an overall Diversity and Inclusion plan.
- Training that provides awareness without the opportunity to gain and practice new skills.
- Training that reinforces negative stereotypes.

4 ## Effective Training

Presents what diversity and inclusion is, why the education matters to the specific job positions of people attending the training, what the connection between the learning objectives and the core tenants of the business are, and what next steps are expected to demonstrate impact.

- Customizes content fit to the company's sector or the attainment of one or more organizational key performance indicators such as safety, innovation, cost containment, quality, market share, etc.
- Integrates follow-up material into other professional development courses such as conflict management, effective communication, customer services, and sales. Gaining the needed skills and competencies to enhance inclusive and culturally competent workforces necessitates continuous learning and development.
- Commits to measuring results, particularly focusing on skill transference into the job.
- Addresses multiple facets of diversity.

5 ## Trends in Effective Training

- Blending classroom and interactive e-learning.
- Integrating diversity and inclusion concepts into all other established organizational training curriculums.
- Highlighting trends and dimensions of diversity in the workplace and marketplace.
- Identifying intersections between diversity and inclusion and emotional intelligence, innovation, etc.
- Creating specific curriculum for specific job types (customer service representative, production line employees, recruiters, etc)
- Adding global and cross-cultural competencies.
- Building curriculum for specific industries.

Supplier diversity commitments can be an effective strategy for supporting talent pipeline development and encouraging growth in regional minority owned businesses. The goal of our inquiry for this focus area was to determine how many participating companies had commitments to supplier diversity and what the regional challenges to supporting supplier diversity are. Past experiences, policies, and decision making processes were discussed. We utilized *Supporting Minority Business Ownership, Growing Community Relationships,* and *Equipping Staff* as indicators to provide construct for the key findings in this focus area.

Key Findings

10 of the 24 employers have some form of a Supplier Diversity Policy. Smaller employers, as well as privately owned organizations, are likely to have no supplier diversity plan or informal commitments to seeking out community representation among vendors. Companies that routinely work under contracts with state or federal government must meet requirements regarding supplier diversity. National companies with local branches often have centralized supplier contracting; while these may include supplier diversity commitments, it is unlikely to include commitments to local diverse suppliers. Of the participating employers with supplier diversity policies, regional companies are more likely to grow connections with local suppliers.

Supporting Minority Business Ownership

Employers providing professional services were most likely to support minority business ownership and entrepreneurship. Aside from a commitment to corporate social responsibility, these employers were able to validate supplier diversity commitments as a means of gaining potential clients in the future.

- One international company has an Americas Supplier Diversity Division. The intention of the program is to mentor entrepreneurial small businesses. In Michigan, they have an Entrepreneur of the Year program with a strong focus on women.

- One regional company is committed to paying higher costs or offering more initial support systems to diverse suppliers.

Growing Community Relationships

Employers that are invested in their communities are able to build local networks of diverse suppliers or contacts that can make referrals.

- One has had conversations with DWH Corporation, the Grand Rapids Urban League, and Start Garden about how to encourage more minority owned businesses in the region.
- Some have utilized the supplier diversity books available through various area Chambers of Commerce.
- One receives referrals for vendors and contractors from several non-profits located in their neighborhood.

Equipping Staff

The challenge of locating and maintaining successful relationships with minority owned vendors can be partially addressed by equipping staff with the time, resources, and trainings needed.

- One employer has created a community council that makes supplier recommendations. In addition, the company provided a professional development day on supplier diversity best practices to their finance department, and a staff member has been given time to devote to building relationships with diverse suppliers.

Opportunities for Growth

- Employers reported a need for staff training regarding recruiting and maintaining relationships with diverse suppliers.
- Employers report a clear lack of minority-owned businesses in the region that are able to provide the goods and services organizations are looking for, which can result in costly delays.
- One employer stated that when diverse suppliers are important to their client, they can work to make it happen. Otherwise, the time commitment and lack of availability of diverse suppliers makes it difficult.

Suggested Best Practices

Diversity Inc released its 2014 list of Top 10 Companies for Supplier Diversity; AT&T, Dell, Anthem, Wyndham Worldwide, Abbott, Accenture, EY, KPMG, Hilton Worldwide, and Marriott International. Below are best practices each of the top 10 companies utilize to some extent:

1 **Establish Tier One supplier diversity policies** that include geographic benchmark measurement, connections to the business proposition of expanding supplier pools, and consistent supplier diversity language built into Requests for Proposals. C-Suite level commitment to objectives is essential.

2 **Explore Tier Two supplier diversity commitments** which can capitalize on supporting small businesses that are not yet ready to scale to a Tier One supplier. Begin discussing the potential of utilizing Tier Two diverse suppliers with the company's largest Tier One suppliers (whether they are diverse or not).

3 **Support current and potential diverse suppliers;** provide training to Tier One suppliers interested in supporting Tier Two suppliers. Practices could include sponsoring scholarships or educational opportunities for diverse suppliers, providing financial education for diverse suppliers, or offering formal training and mentoring for diverse suppliers.

4 **Encourage internal champions** by creating Supplier Diversity Councils and/or leveraging employee resource groups.

5 **Ensure all groups are represented** as diverse suppliers in the company's policy: LGBT, Veterans, people with disabilities, Blacks, Latinos, Asians, American Indians, women, etc.

6 **Work with corporate communications** to ensure the value proposition of supplier diversity is marketed internally and externally.

MEMBER RECOMMENDATIONS

Participants provided recommendations for how Talent 2025 can support their organization's inclusion work. Support for organizations' external relationships and interaction, such as community engagement and workforce development, were leading recommendations. Additionally, member organizations expressed a desire for Talent 2025 to establish shared best practices and a platform from which organizations can leverage talent and resources.

"[There] can be barriers between employers and community – work in the community helps, but it's fragmented if every employer is doing their program in a silo. Talent 2025 could act as a clearinghouse to scale up community involvement and widen those roads."

"How can companies in the network work together to share talent? Interns that are able to experience positions across different companies within one interest area, for example."

"It would be interesting for Talent 2025 members to share philanthropic strategies to see if they are all over the map or if they could be coordinated."

"Can large and small organizations partner to share resources or cohost internship programs to bring more talent in?"

"Talent 2025 should publish a collective statement of support and need for inclusion in our community. If they do, Grand Haven is a community that really needs to hear it."

"How can Talent 2025 connect incoming employees from other regions or cities into the community as a whole?"

"Talent 2025 should help with media connections. Muskegon is frequently covered in the news for all the wrong reasons, and we can't get coverage for the amazing work companies and colleges are doing in our community."

"We would like a platform where we can share our best practices, and other institutions can also be open to sharing."

"Talent 2025 should leverage their CEO power. If nothing else, they can craft the roadmap for an inclusive community […] then it will get the support and funding it needs to move with enough clout to actually present it to community and move forward. Once we get the issue defined, we can get it done."

"Talent 2025 can do the research to help us understand why we're the 51st in the Forbes report, and what strategies can we have to address that." *(Referenced Forbes article available in the Appendix, located online at talent2025.org.)*

"Bigger companies have their own resources and are in competition with one another, but anything we as a community can do to support the small and mid-size businesses in their diversity efforts, we should."

"Talent 2025 can help to interpret what the data says, what success-ful strategies are, and who is best to implement them."

"We as a community need to be more transparent and honest about the rates of unemployment for people of color in West Michigan, and then be active in advocating for change in that area."

VOICE OF THE COMMUNITY: EMPLOYEES OF WEST MICHIGAN

As a supplement to the interviews conducted with Talent 2025 Member Companies, an independent, anonymous survey was conducted and made available to any employee in West Michigan. All questions were formatted as open-ended text, including optional demographic questions. The survey was informally distributed through personal and professional networks via email and social media. The data presented below is not meant to be conclusive, nor is it meant to be taken as an equitable representation of West Michigan employees. It is simply provided as a tool to gain further insight into the experiences of talent from the region.

1   **Describe an experience from current or past employment in which you have felt included, valued, and empowered – this could be an experience with leaderships or co-workers, a policy or practice that was in place, etc.**

*"I am **completely empowered** in my current work environment to point out micro-aggressive and exclusive behaviors by dominant culture staff members. My input is valued and I am treated with equity most of the time."* – 58-YEAR-OLD BLACK BIRACIAL HETEROSEXUAL FEMALE

"Worked with an organization that asked all employees to discuss the company culture in groups, and report out on issues of inclusion and trust that existed in the workplace. These insights were written down and read aloud to the CEO in the presence of all the staff. The CEO listened and asked clarifying questions."

"I feel for the first time, a boss trust me to do what I said I will be doing. She give [sic] me freedom to be creative and also to fail and this give me a lot of courage and it help me grow."

"My employer hosted focus groups regarding diversity and cultural competency. It provided safe spaces for employees to provide candid feedback."

"When working with [manufacturing organization] the environment was very inclusive, focus was on engaging all not just those in the higher status. Lots of synergy was created and more importantly trust. Jobs were all posted so all could apply."

"Nearly 10 years ago I worked with a Vice President in my organization that asked for my opinion nearly regularly during staff meetings. He would also take an active interest in my career and would share privately when I was not working up to my full potential. On several occasions he would assign me to projects and assignments that allowed for exposure on a national level."

"When management asked me for my input and actually listened and followed through."

"Worked with an organization that asked all employees to discuss the company culture in groups, and report out on issues of inclusion and trust that existed in the workplace. These insights were written down and read aloud to the CEO in the presence of all the staff. The CEO listened and asked clarifying questions."

"Being given latitude and invested with resources and staff support to launch a cutting-edge initiative."

2

Provide an example of a policy, practice or program you have experienced in current or past employment that negatively impacted your ability to feel included, valued, and empowered.

"Supervisor at former employer put personal agenda and self-aggrandizement ahead of organization's mission. Gave lip-service to organization's mission, practices, and policies with clientele. Readily admitted to a lack of leadership and management skills. Attempted to convince me we were "allies" in that I was African American in a majority white organization and he was not openly gay in the same environment, and that we were members of oppressed groups. This behavior put me in a place where I felt no individual in the work group was valued, except when he needed assistance in furthering his own agenda – which sometimes required he use me or other specific staff members based on their demographic attributes to obtain aces to racial minority members he was trying to solicit."

"Being constantly asked [post-hire] to restate my credential and professional pedigree as a consultant to garner buy-in from Caucasian board members for a current client. "

"Any environment with low diversity can create these feelings. The pressure to conform to the norm becomes stronger the more homogeneous the environment. It can be difficult to identify and articulate the source of this feeling, but it can be at the heart of not being a "cultural fit" for a given workplace. This characterization treats employee instead of addressing inclusive culture. I once worked for an individual who used personality tests to hire or eliminate staff, depending on the similarity of their similarity to her personality profile, and share this reasoning with staff. This seems like a management failure that is harmful to inclusive culture. "

"Supervisor mocks a subordinate by talking like him in our administrative meetings using a strong Spanish accent."

"At the job I left 4 years ago. There was no trust and the boss was not giving me challenging work because she think my English is not my first language…I am not smart enough. It was hard to focus when you know that no matter what you do, the person (boss) have fix ideas about you."

"My current employment made me feel undervalued, and underutilized when I first started, because I wasn't giving the opportunity to bring myself to the table and apply my skills, I felt boxed in."

"Not at my current job, but previously we struggled a lot with "this is how things have always been done." There was a real reluctance to welcome the ideas of a new crop of people, who are/were mostly from diverse backgrounds."

"While at Spectrum Health there is a very strong sense of hierarchy, creates [an] environment of haves and have-nots. Felt that I had to move into leadership to get ahead when I was comfortable in my other job. Lots of jobs are not posted rather given to some given relationships […] that is what I have seen first-hand."

"My previous General Manager would give direction to my direct reports without providing any advance notice, thereby undermining my ability to lead…This General Manager did not respect me as a leader in the business and although he never said anything inappropriate or unprofessional, his actions and lack of direct conversation alienated me from my peers. This was further isolation because I was the only African American in leadership and in the entire of nearly 250 employees."

What factors most impact your decision to live and work in West Michigan?

"I love this community. People are kind thought most of the time can be afraid of unknown or fearing something different. It is the community that I believe what time, people here can live justly can do justice because at the end of the day people believe that we are all created equal."

– 29-YEAR-OLD BLACK FEMALE

"Eighteen years ago I moved to Grand Rapids for opportunities to live and work. Now, I would actually move if the opportunity presented itself, minorities are under employed in Grand Rapids and it hurts me most no one will admit it."

– 38-YEAR-OLD BIRACIAL HETEROSEXUAL FEMALE (BLACK & WHITE)

"Most of my family reside [sic] in Grand Rapids and therefore, I remain in Grand Rapids. I am attracted to the potential of what Grand Rapids can be. Yet, I am immersed in the reality that there are at least two different Grand Rapids. People of color do not benefit the same way… do not have the same network…do not have the same opportunities…the Forbes article resonates with me as factual."

– 41-YEAR-OLD BLACK FEMALE

"My wife and her family are here. I feel a sense of obligation to make this place better for others."

– 27-YEAR-OLD BIRACIAL MALE (CHINESE & WHITE)

"I absolutely love West Michigan! It is simply the most awe-inspiring city I have ever witnessed. All in all, I believe the mission and values of Grand Rapids, and all they stand for: our ever-growing diverse culture, our passion for the arts, and our mindful care for our environment by way of small businesses and sustainable resources."

– 21-YEAR-OLD WHITE MALE

"My family. Opportunity to start a new, creative, inclusive business. The 4 seasons. Friends. Lakes/water. Affordability – and that this allows for us to travel."

– 37-YEAR-OLD WHITE FEMALE

"My family, if not for them think I would have moved."

– 35-HISPANIC-FEMALE

"Raised in east Michigan and relocated back to Michigan – chose Grand Rapids purely based on the good word of the people! We will remain in GR because of the people, our friends and the business community – we feel that there is a lot of opportunity here."
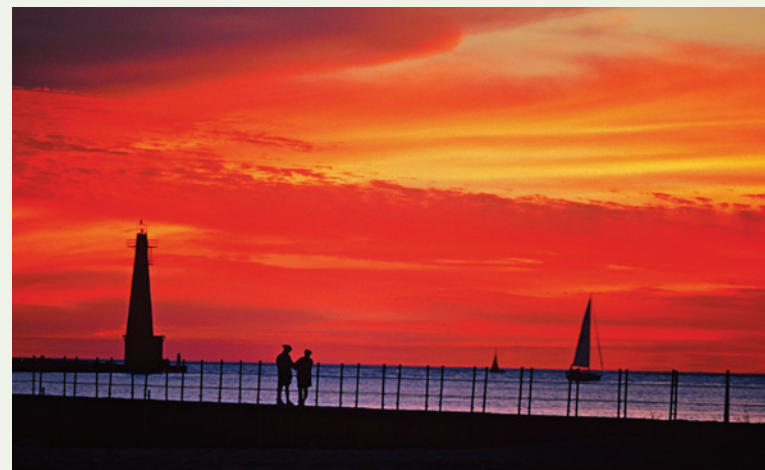
– 31-YEAR-OLD WHITE FEMALE

"It's home. I'm from here and I feel at home here. Each time I move away (twice) I try to get back as quickly as possible."

– 34-YEAR-OLD WHITE HOMOSEXUAL MALE

"Being close to my friends and family."
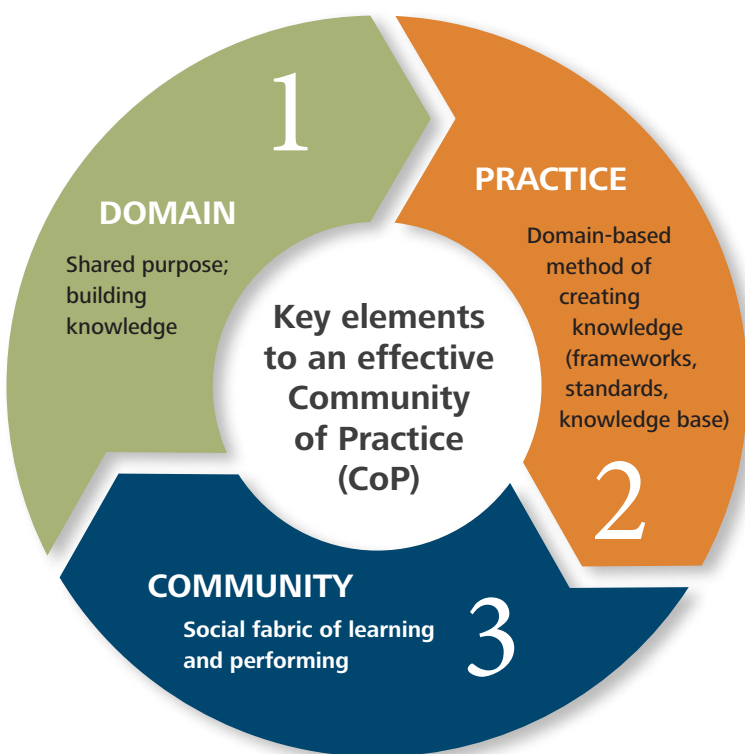
– 58-YEAR-OLD BLACK FEMALE

RECOMMENDATIONS

Based on the findings in this report, the following recommendations are presented for consideration to support their members' ability to address the following: knowledge of diversity and inclusion development; resources and capacity to implement effective practices; strategic frameworks to establish measurable objectives; access to talented diverse candidates; leveraging efforts for global impact.

1. Talent 2025 Community of Practice

Community of Practice (CoP) is a platform for individuals or groups to come together to share and learn from one another both face-to-face and virtually. Such communities are held together by a common interest in a body of knowledge and are driven by a desire and need to address issues, leverage opportunities, experiences, insights, templates, tools, and best practices. Communities of Practice may also be referred to as knowledge sharing networks, communities of interest, networks, and/or practice areas.

1 DOMAIN Shared purpose; building knowledge

2 PRACTICE Domain-based method of creating knowledge (frameworks, standards, knowledge base)

3 COMMUNITY Social fabric of learning and performing

Key elements to an effective Community of Practice (CoP)

Serving as an interactive platform, Talent 2025 Community of Practice for Diversity and Inclusion would support the continued development and standardization of diversity and inclusion practices across members. The following are recommendations for potential objectives and outputs, including but not limited to:

Talent 2025 CoP Objectives
- Share knowledge
- Leverage resources
- Standardize practices
- Align Diversity & Inclusion strategies/activities
- Connect efforts to T2025 Inclusion objectives
- Develop and disseminate best practices
- Create metrics/measures: Key Performance Indicators

Talent 2025 CoP Outputs
- Collaboration Site
- Webinars
- Recruitment & Retention Support
- Resource Material
- Planning and Development Support
- Discussion Boards
- Evaluation and Research

2. Standards of Performance and Benchmarks

Community of Practice (CoP) is a platform for individuals or groups to come together to share and learn from one another both face-to-face and virtually. Such communities are held together by a common interest in a body of knowledge and are driven by a desire and need to address issues, leverage opportunities, experiences, insights, templates, tools, and best practices. Communities of Practice may also be referred to as knowledge sharing networks, communities of interest, networks, and/or practice areas.

Standards of Performance

- Demonstrated Leadership Commitment
- Employee Engagement and Effective Communication
- Continuous Education, Awareness, and Skills Development
- Demonstrated Commitment to Community Partnership
- Shared Accountability and Responsibility
- Measurements and Timeframes

Benchmarks – *Global Diversity and Inclusion Benchmarks Model (GDIB)*

The 13 categories that are organized into 4 groups cover the key areas that need to be addressed to create a world-class diversity and inclusion initiative. Each category is divided into five levels, with the benchmarks at 100 percent level considered best practice. Most organizations will need to address all the Foundation and Bridging Categories. Organizations may be more selective about which of the Internal and External Categories to address. Covering all 13 categories is the most comprehensive and systemic.

FOUNDATION – Considered foundational to build a Diversity and Inclusion initiative

1. Diversity and Inclusion Vision, Strategy, and Business Case
2. Leadership and Accountability
3. Infrastructure and Implementation

INTERNAL – Focus is primarily on strengthening organizational operations and effectiveness

4. Recruitment, Development, and Advancement
5. Benefits, Work-Life, and Flexibility
6. Job Design, Classification, and Compensation
7. Diversity and Inclusion Education and Training

BRIDGING – Critical linkages that bridge foundational work with the internal and external focus of Diversity and Inclusion in the organization

8. Assessment, Measurement and Research
9. Diversity and Inclusion Communications

EXTERNAL – How the organization offers their products and services and interacts with its customers and other stakeholders

10. Community, Government Relations, and Social Responsibility
11. Products & Services Development
12. Marketing, Sales, Distribution and Customer Service
13. Supplier Diversity

3. Communication and Engagement Plan

The effectiveness of Talent 2025 efforts to impact diversity and inclusion within the West Michigan region will rely on the ability to communicate to internal and external audiences. Therefore, a formal communication and engagement plan should be developed that would communicate the following:

- Talent 2025's value proposition on Diversity and Inclusion for West Michigan, i.e. diversity and inclusion will help create a fair, equitable, healthy and high-performing economic base and community (Inclusive Growth)

- Their "Call to Action" for shared accountability across membership

- Present their Community of Practice as a resource to enhance diversity and inclusion

- The development of Standards of Performance for cross-sector application

- Developing an endorsement process for community organizations