

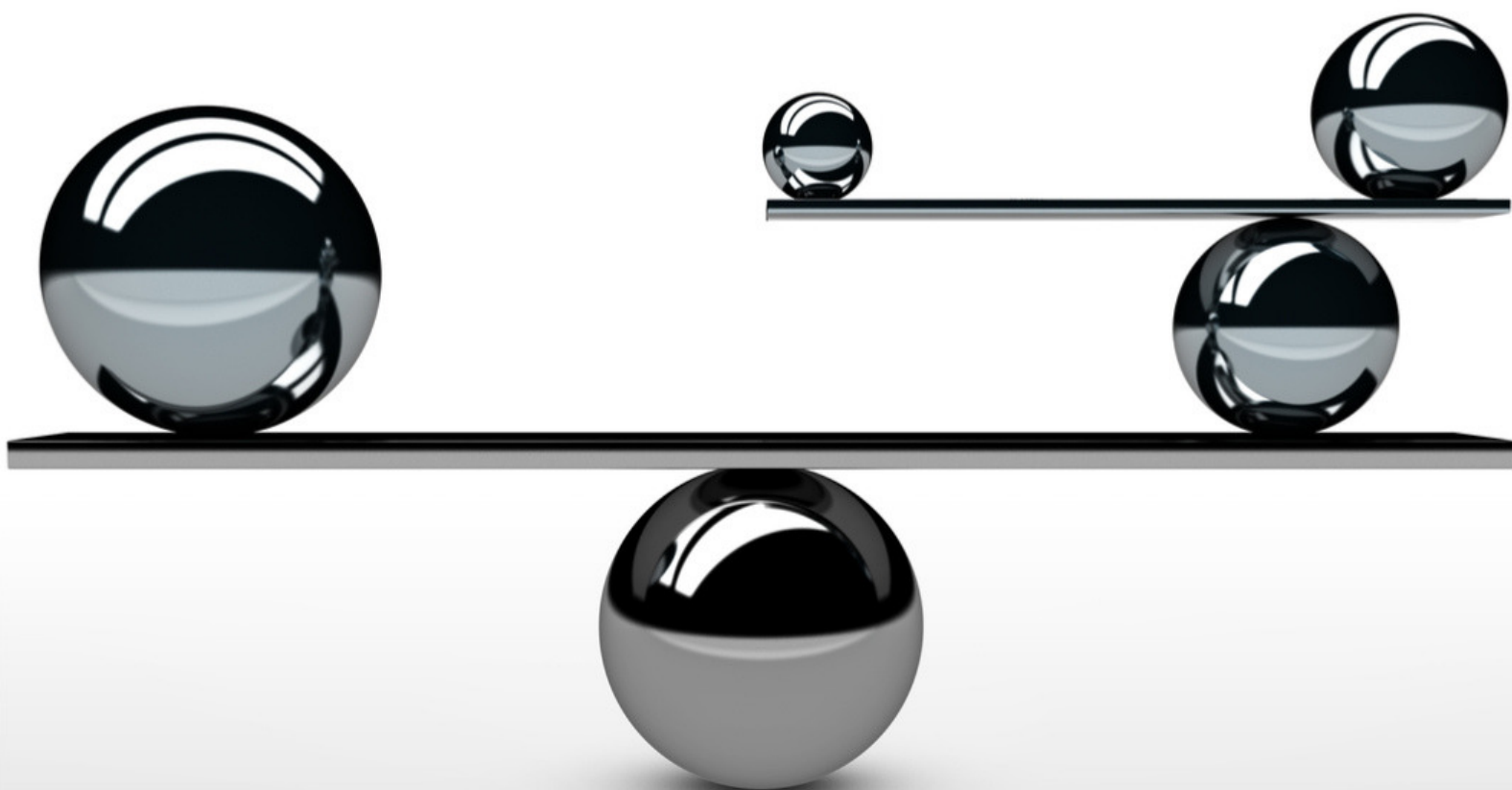
DIVERSITY CONCEPTS

EQUAL OR EQUITABLE?

MASTERING EQUITY FOR SUCCESSFUL ORGANIZATIONS



NIKA WHITE CONSULTING



EXECUTIVE SUMMARY

No matter the organization, the work of diversity and inclusion (D&I) cannot be successful without a focus on equity. A lack of equity in the organizational culture affects how resources are prioritized in every area. Looking at how – or if – various groups have access to resources such as funding, space, contact with leaders, or opportunities for advancement can help break cycles that perpetuate inequity.

Equity, as a foundation for D&I, is a key to success. A solid and growing body of research shows how diverse teams make organizations more effective and more profitable. Yet, becoming willfully "blind" to difference is not the way to achieve those gains. Rather, winning teams are built through an equitable approach that gives people what they need, not by treating everyone equally.

TANGIBLE BENEFITS

- explanation of important difference between equity and equality
- explanation and examples of how policies that create or inhibit equity
- actionable guidelines for addressing inequity
- suggested steps and resources for conducting an equity audit

APPLICABLE ROLES

D&I practitioners and advocates at various stages in their careers will benefit from reading this white paper.

- Leaders who might not be doing the hands-on work should come away with a better understanding of how equity plays an important role throughout their organizations.
- Those who are new to D&I work will gain insights that can help them avoid costly mistakes and also discern any structural changes that might be needed in order to be successful.
- Seasoned practitioners will learn information that can help them evaluate previous and ongoing activities, and learn practical ways to assess and address inequity as a barrier to D&I.

INTRODUCTION: DEFINING EQUITY

In the ongoing work of creating more diverse and inclusive organizations, there are many paths to take and several changes in both behavior and mindset that might need to occur. However, all efforts will fall short without including an important principle of D&I, which is equity.

Equity is very different from equality. While human beings should be considered equally valuable and worthy, that does not mean they should all be treated exactly the same way. Here is one way to begin thinking about the difference:

Equality is when everyone has access to the same thing.

Equity is when everyone has access to what they need to be successful.

And that's the thing that makes equity so tricky. What people need to succeed can vary from person to person and from one organization to another. Because equity can change depending on context, employers often back away from trying to resolve problems by addressing inequity. Instead, they try to be "fair." However, that approach rarely solves the problem at hand.

"Fair" doesn't always work for everybody.

One person who has brought public attention to the subtleties of equity is U.S. Senator Tammy Duckworth. As the first woman to give birth while in the Senate, she advocated for changes to a rule that bans children from the Senate floor.

At first glance, the standing rules were completely "fair." Nobody could have children with them on the Senate floor. Everybody had the same restriction. However, because infants need to be close to their parents for a variety of reasons, the fair rules meant that a large segment of current and potential senators may have their opportunities to participate limited if they have small children. They wouldn't be allowed to perform their job if they needed to do it with a baby in tow. That creates a barrier to inclusion.

DEFINING EQUITY (CONT.)

EQUITY IN ACTION

The concept of equity becomes easier to grasp when looking at real-world examples. Many of the best examples come from the education sector, which is far ahead of business and other sectors when it comes to identifying and addressing inequity.

Here are a few examples.

- The Head Start preschool program was created by the U.S. federal government to be administered at the state level decades ago. By its very name, it is clear the program is intended to cater differently to some students based on their needs. Participants achieve quantifiably better educational outcomes than their peers who do not participate in the program.
- Federally funded pre-college summer programs initiated for young people of color during the 1960s have helped improve graduation rates for that group. (1)
- While some companies are increasing their educational requirements, others are doing away with them entirely. The latter group includes Google, international accounting firm Ernst & Young, Penguin Random House, Hilton, Apple, Starbucks, Nordstrom, Bank of America, and Home Depot. (2)

There's also an argument to be made for a moral, or at least ethical, responsibility to do what we can for those in our midst who face disadvantages that limit their opportunities for success. That kind of motivation is readily accepted in education circles, but can be much harder for some to swallow in the professional world. (3)

EQUITY AND YOUR TALENT POOL

There are also practical reasons to make sure our organizations are equitable places. For one thing, choosing uniformity and equality over equity can hurt your talent pool. I find that a lot of key decision-makers err on the side of fairness and equality in the hiring process. However, they need to think more deeply about how they find talent, or they can miss a great recruitment opportunity.

No matter what, you should always hire the best person for the job. But sometimes the basic criteria you're using may need to change. For example, many companies are moving away from educational attainment as baseline criteria. Education level as a requisite can lock out potentially excellent candidates who did not have access to higher education or who gained the needed experience through other avenues.

It might be necessary to create a plan for equitable employment by reviewing your organization's hiring criteria and policies (see actionable steps below). You can also look at possible training initiatives, career development opportunities, and accommodations that might need to be made. Any of these would be a great start and should help build true equity and greater success in your organization.

Ensuring Equity After Hiring

Even companies that have gone the extra mile to create a diverse applicant pool need to be mindful of whether successful applicants can succeed within the company. If somebody hired is the only one of their group – the only woman, the only differently abled – they could face challenges that can keep them from advancing.

NEVER COMPROMISE.
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BUT MAKE SURE
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DOOR.

LEGAL RISKS: FACT OR FICTION?

Sometimes, it's the fear of litigation that keeps organizations from addressing inequity in impactful ways. The truth is, there have been few significant legal challenges to corporate diversity initiatives. When they do happen, it's because employers have failed to make sure every employee understands the value, not just the group that directly benefits. Consider these examples:

- In one pending court case, a white middle manager at Eastman Kodak in Rochester, New York, brought a lawsuit against the company alleging that he was demoted for poorly handling the alleged harassment of a black subordinate by his other employees and that the company's new zero-tolerance discrimination policy was being used to discipline and terminate white employees unjustly. (4)
- An employee at YouTube claims his company canceled interviews and told hiring managers to completely exclude applicants who were not from underrepresented groups. That lawsuit is also pending as of this writing. (5)
- A Connecticut fire department was found to have done just that in 2009, when it disregarded the results of promotion examinations after finding that white employees outperformed minorities. In an apparent effort to address inequity, the fire department illegally decided not to promote white and Hispanic employees whose test results called for promotion because none of its black employees attained promotion-worthy scores. The department was afraid the test possibly revealed some kind of bias that would get them sued, so instead they chose not to certify (acknowledge) the results. (6)

As these incidents suggest, companies can and do take a wrong approach to equity efforts. Rather than apparent broad sweeps or fear-based reactions, these employers could have have transparently addressed the issues. A culture audit as described later in this paper, would have been an excellent and impactful response.

LEGAL RISKS: FACT OR FICTION? (CONT.)

Legal Risk of Inequity

While occasional legal challenges do arise, there is far more legal danger in failing to address inequity. Pay equity is one area in which employers should identify and address problems or possibly face lawsuits. (7)

The law firm Ogletree Deakins advises that employers may be at risk for pay discrimination claims if they:

- do not have proper policies, procedures, and processes in place that would prevent pay disparities from occurring or would provide an appropriate defense where there are disparities based on legitimate reasons;
- have policies and procedures that are not well designed; and/or
- do not take steps to follow or ensure compliance with their appropriate policies and procedures.

The firm says the smart approach is to analyze policies, procedures, processes, and data to identify pay disparities and weaknesses by:

- identifying potential pay disparities within appropriate job classifications;
- determining whether there are legitimate explanations for those disparities and/or taking steps to correct the disparities as appropriate; and
- identifying and correcting weaknesses in the company's systems so that the employer is protected from claims of pay disparity going forward.

GAME PLAN STEP 1: FIND OPPORTUNITIES

Opportunities to improve are everywhere.

First, leaders must adapt the mindset of being more sensitive to the fact that their employees didn't all take off from the same starting line. They need to recognize that in order to help each one be successful, the solution can't be one size fits all.

Second, articulating goals and anticipated outcomes for target populations is critical to managing expectations and realistically assessing the impact that developing or altering a policy may have. (8)

The more complex an organization, the more cracks there are for equity to slip through. The following are three common areas.

External Partnerships

Some organizations need to look outside their own doors. They may find that there's a lack of equity in their outside relationships. There might be blind spots around their approach to vendors or suppliers that are keeping them from having the chance to connect with minority or diversity-rich vendors.

It would be incredibly difficult to try and figure out all the disadvantages your potential vendors face – it's much easier to connect with groups that you know are working to address those inequities. For example, Minority Business Accelerator programs at chambers of commerce in cities nationwide work to address equity issues that stifle growing companies headed by disadvantaged groups. They create a network that overcomes barriers such as limited access to capital or being left out of networks that generate procurement opportunities.

GAME PLAN STEP 1: FIND OPPORTUNITIES (CONT.)

Employment opportunity

Employee turnover can offer companies an ongoing opportunity to attain equitable employment practices. These opportunities can take the form of a review of criteria and policies, training initiatives, career development opportunities, and special accommodations.

Oppenheimer Funds, an asset management company, was recognized as one of the best companies for multicultural women in part for programs that cater to the diverse needs of several groups. The company has “business resource groups” that serve Asian, black, differently abled, Latinx, LGBTQ+, military, and women employees.

Compensation gaps

In many organizations, significant pay gaps exist between privileged and other groups. One of the most visible examples is the gender pay gap. Remedying these disparities not only requires a change in policies – perhaps greater transparency, increased oversight, stricter criteria, or all of the above – but also actions that are, again, unequal.

Tech giant Salesforce, for example, moved to close its gender pay gap by spending \$3 million in 2015 to equalize compensation across the company. It turned out that roughly the same number of men and women were impacted, suggesting that some groups of men were also being undercompensated. (9)

GARNER SUPPORT FOR
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 MAKING SURE ALL
 STAKEHOLDERS
 UNDERSTAND GOALS
 AND EXPECTED
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GAME PLAN STEP 2: SET THE STRUCTURE

Once problem areas have been uncovered, it's time to put all the right pieces in place to address them. The process takes multiple, thoughtful steps, but such careful planning paves the path to success.

1. Select the right personnel to lead the effort.

To address its pay gap problems, Salesforce hired its first-ever “chief equality officer.” (10) Organizations might need additional help from experienced D&I consultants who can conduct audits and even help implement solutions. (11)

2. Review policies.

At this stage, every aspect of the issues in question will need to be examined with an open mind and a fine-tooth comb. Policy review will entail multiple steps and might uncover that it's actually a lack of appropriate policies that's contributing to inequity.

3. Conduct an equity audit.

There's no single correct way to conduct an equity audit, but whatever tools are used should match the industry and company size in order to ensure the best results. Common steps in an equity audit include the following:

- *Conduct a recruitment self-audit.*
- *Evaluate employee training, development, and promotion opportunities.*
- *Evaluate your compensation system, including bonuses and benefits, for industry competitiveness.*
- *Review your performance evaluation system and outcomes.*
- *Assess opportunity for employees to win commissions and bonuses.*
- *Assess internal communications language and delivery mechanisms.*
- *Review retention rates among various groups.*
- *Assess punitive policies and practices.*
- *Assess policies to monitor equitable practices.*
- *Implement changes as needed.*
- *Record the effects of all changes and make adjustments as needed.*

GAME PLAN STEP 2: SET THE STRUCTURE

SAMPLE EQUITY AUDITS & POLICIES

National Committee on Pay Equity Ten-Step Guide

<https://www.pay-equity.org/cando-audit.html>

Unifor (Canadian union organization) Equity Audit Report

https://www.unifor.org/sites/default/files/documents/document/equity-audit-report-en-web-final_20170730.pdf

Example of an Organizational Racial Equity Audit Request for Proposal

<https://philanthropyNW.org/resources/example-organizational-racial-equity-audit-rfp>

Association of Faculties of Medicine of Canada Equity and Diversity Audit Tool

https://www.afmc.ca/pdf/committees/AFMC_Equity_and_Diversity_Audit_Tool_10MAY2011.pdf

Australian Institute of Architects Gender Equity Policy

<http://architecture.com.au/docs/default-source/about-us/gender-equity-policy.pdf?sfvrsn=0>

CONCLUSION

We know diverse teams make organizations more effective and more profitable – research supports this. If we're allowing talented people to struggle or eventually leave all in the name of equality, we're diminishing our organizational capacity in the process. By taking a more equitable approach – not by treating everyone exactly the same – your organization can enjoy these outcomes. On a more common-sense level, the business case for equity goes back to some sayings we all know:

"A rising tide lifts all boats."

"You're only as strong as your weakest link."

"Don't look down on somebody unless you are helping them up."

There's also a bigger mission here: How we operate as a society either offers the potential for everyone to have a great level of success – or it doesn't. The truth is, some people are not going to care at all about equity versus equality, but leaders who are inclusion-minded need to be sure their efforts really offer access to what individuals need to be successful – not access to the same resources across the board.

DIVERSITY IS A REALITY,
INCLUSION IS A CHOICE,
AND EQUITY IS THE
PLATFORM FOR
POWERFUL
ORGANIZATIONS.



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