STRATEGY MATTERS:
Evaluating Company Approaches for Creating Inclusive Workplaces

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MANAGING CHANGE:
WHERE THE RUBBER MEETS THE ROAD

Managing change in organizations is easier said than done. Research shows that although companies make superficial changes all the time, they very rarely alter deep structural characteristics such as their cultures.[1] If we characterize diversity and inclusion (D&I) initiatives[2] as culture-change initiatives, then this prior research predicts what many in the D&I field know to be true: many companies fall short of their goals of creating more diverse and inclusive workplaces.[3] So how can D&I change agents overcome the widely documented problem of organizational inertia to increase workplace diversity and inclusivity?

To arrive at answers, this report draws heavily on a foundation of broad change management research as well as studies of D&I practices. Further, the report leverages expertise from the field of D&I consulting and a Catalyst comparative case study of company D&I strategies to provide field-based insights about the effective management of D&I change initiatives. Readers will find:

- A change management model that specifies critical factors for managing D&I change initiatives.
- An assessment of how some companies are managing against key change performance factors and an opportunity to benchmark against these organizations.
- Real-life examples of effective practices for managing critical change performance factors.

A MODEL FOR MANAGING CHANGE

Catalyst conducted a comprehensive review of theoretical and empirical studies published from the 1980s to the present, spanning different cultural contexts; and focusing on change management in general and on leading D&I change initiatives in particular. We augmented this knowledge base of academic expertise with practitioner-based insights from the field, including publications from diversity consultants and professionals, as well as Catalyst's own library of knowledge accumulated from our benchmarking surveys, Advisory Services practice, and Catalyst Award assessments. From these sources, we identified empirical findings, theory, and practice-based perspectives on the change management activities that are critical to the success of change initiatives. Figure 1 summarizes our major findings.[4]

Figure 1
Key Success Factors for Managing Change
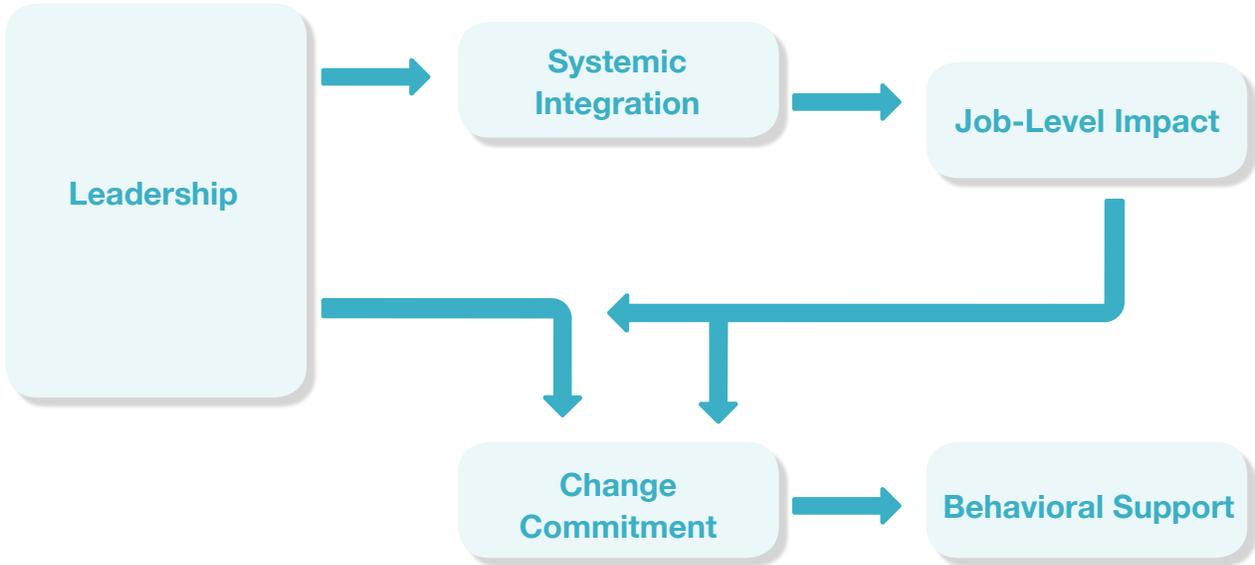
The change management principles depicted in Figure 1 can be thought of as key success factors for managing change. The arrows linking the change management factors depict how they are interrelated. For example, leadership affects change commitment and systemic integration. Arrows pointing to other arrows indicate moderating relationships. For example, job-level impact moderates or affects the relationship between leadership and change commitment. The action steps for managing change, which are listed on the following page, represent tactics change agents can use to manage the success factors. The change management factors, activities, and how they relate to each other are discussed in greater depth in the section, Ingredients for Change.

Action Steps for Managing Change Success Factors:

Leadership

- Adopt a transformational leadership style.
- Educate and coach change agents.
- Practice effective change leadership:
  - Build a powerful coalition for leading change.
  - Establish a rationale for change (business case *and* personal appeals).
  - Frame and define the vision.
  - Negotiate and mediate conflict.
  - Communicate effectively.
  - Demonstrate accountability.

Systemic Integration

- Audit existing structures, policies and procedures.
- Interview decision-makers to determine how the system works in practice.
- Align, policies, procedures and reward systems with the desired change.

Change Commitment

- Engage employees in the change-planning and implementation process.
  - Tailor engagement strategies to different employee groups.
- Celebrate small wins.

Job-Level Impact

- Conduct employee education and training.
- Hold problem-solving forums.

Behavioral Support

- Create Communities of Practice (CoPs).
- Leverage champions to increase support for change.

INGREDIENTS FOR CHANGE:
THE MODEL, IN-DEPTH

LEADERSHIP

Far more than playing a symbolic role, leaders are instrumental in implementing change.[5] Further, the quality of their leadership predicts both the perceived and actual success of change initiatives.[6] In particular, transformational leadership—characterized by the ability to inspire and connect with followers—has been connected with more successful organizational change performance. Change leadership skills are also important, especially for leaders who lack a transformational leadership style. Critical change leadership skills include:

- Communicating about the change vision and planning in an interactive, bi-directional way.
- Establishing powerful coalitions to drive the change.
- Empowering those affected by the change through engagement.
- Negotiating conflicts caused by the proposed change.[7]

Senior organizational leaders are not the only individuals who bear responsibility for leading change, however. Successful change initiatives are also led by influential coalitions and other teams of change agents (e.g., D&I professionals) who are accountable for leading or implementing the effort.[8] Like senior leaders, these change agents should be equipped with change leadership skills. For this reason, providing coaching and training to all individuals tasked with implementing change initiatives is a vital part of any change management strategy.[9]

SYSTEMIC INTEGRATION

Change won't likely "stick" unless an organization's business processes, structures, policies, and reward systems support it.[10] Integration of change into an organization's systems is more likely to occur when its chief designers and owners (i.e., senior leaders) are integrally involved in the implementation process.[11] This point underscores yet another reason why leadership is so critical to the change process.

CHANGE COMMITMENT

Individuals' commitment to a change predicts whether or not they will adopt the new behaviors required to make that change happen.[12] Change commitment includes three components:

1. The desire to provide support based on an inherent belief in the change initiative.
2. An acknowledgement that failure to enact the change will incur certain costs.
3. A sense of obligation to enact the change.

The distinction among these components is important, because while all three predict compliance with the change effort, only the first and third components predict cooperation and championing.[13] Skilled leaders—especially those with a transformational style—often inspire high levels of change commitment, cooperation, and championing behavior.[14]

JOB-LEVEL IMPACT

Change commitment is also affected by how employees perceive the proposed change initiative will impact them on the job.[15] If the change represents a significant disruption to existing work routines and/or requires significant effort beyond what was previously expected of employees, change commitment can suffer.[16] Furthermore, it is likely that if individuals lack the knowledge, skills, or capacity to comply with or follow new requirements or expectations, they will not demonstrate behavioral support for the change—even if they feel committed to it. For these reasons, it is important for change agents to monitor how the initiative will impact employees *on the job* and assess the level of effort and skills required of employees to support the initiative. Key strategies for reducing the disruptive impact of change include offering coaching and training, sharing information, and holding problem-solving forums.[17]

BEHAVIORAL SUPPORT

Compliance, cooperation, and championing by individual employees represent respectively higher levels of behavioral support for change,[18] and these are the outcomes change agents want to see. Change agents can help maintain and increase behavioral support for change by leveraging the early adopters or supporters of the change initiative. In particular, change leaders should help establish Communities of Practice (CoPs) where supporters can learn from one another by sharing successes and small wins. The social reinforcement and legitimacy that CoPs offer[19] make them a potentially powerful mechanism for reinforcing behavioral support for D&I and preventing reversion back to pre-initiative norms.

APPLYING THE MODEL

How to manage change is a popular topic in business publications, but the abundant, popular advice on change management is too often not specific enough to be of real use to change agents.[20] Recognizing that the "devil is in the details," we expand on common change management wisdom in Table 1 to provide more specific, lesser-known facts about driving D&I change initiatives. These points are derived from the change model in Figure 1 and the research underpinning it.

Table 1
Beyond Conventional Wisdom—Detailed Advice on Successfully Managing Change

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Providing Leadership	Secure top leadership buy-in. • Many models of organizational change, and D&I management in particular, emphasize the pivotal role that leadership buy-in plays in the success of change initiatives.[21]	**Leadership buy-in is necessary, but insufficient.** • **Leadership buy-in is only impactful if it translates into active leader engagement in the change process.** To influence change, senior leaders must become chief architects of the transformation[22] and be skilled at selecting and executing the change management strategies that are best suited to their organizations.[23] The following are activities that engaged leaders perform to create diverse and inclusive workplaces: · Build a coalition of influential change agents/supporters to help lead the effort. · Communicate clearly about why the change is necessary. · Create and communicate an inspiring vision of what the change will achieve. · Empower followers by soliciting their input. · Attend to those who have difficulty implementing the change. · Monitor and communicate progress in change implementation. · Model the behaviors needed to bring about change.[24] If these activities are being left primarily to D&I staff and/or influential leaders are *not* performing them, the organization's initiatives may be lacking the leadership necessary for success. Ideally, D&I staff should support/advise senior organizational leaders in performing these functions. Since effective change leadership is a predictor of the success of organizational change initiatives,[25] **consider providing coaching to key change agents—including D&I staff, if needed—to augment their change leadership skills.**[26]

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Providing Leadership (continued)	**Treat communication as a key part of the change process.** • **Frequent and consistent communication is a critical factor in the success of efforts to create diverse and inclusive workplaces.**[27]	**Mere frequency and consistency of communications is not enough.**[28] To be effective, change leaders must devise a communications strategy to achieve the following: • **Convince employees of the need for change.** Individuals will only feel committed to a change initiative if they are persuaded that the status quo is undesirable. • **Demonstrate that the proposed changes will indeed bring about the new, desired end state.** Employees may resist change if they don't believe the proposed changes are the right ones. • **Provide assurance both on an organizational and individual level about the capacity for change.** Employees must feel confident in both their own and the organization's ability to enact the proposed change. • **Demonstrate leadership commitment to the change.** Leader communications should be compelling and consistent with their actions. Only leaders who "walk the talk" should serve as spokespersons for the change effort. • **Convey how the change will benefit individual employees—not just the company.** For example, the use of labels such as "women's" initiative to reference gender inclusion change efforts—a common practice in many organizations—can unwittingly convey that men are not stakeholders in the change. Messaging should be consistent in conveying "what's in it" for all employees. • **Engage followers and leaders in an exchange.** Change leaders should connect via bi-directional communication with those who will be affected by the change. Such communication is critical as it enables change agents to uncover and address resistance and/or other barriers to change.[29]

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Managing Systemic Integration	**Incorporate D&I into institutional structures.** • **Assess and alter macro organizational structures, systems, and policies to institutionalize change.[30]**	**Beware of conflicting organizational objectives.** • **Oftentimes, change agents make policy changes that unintentionally put D&I objectives in direct conflict with other organizational goals.[31]** For example, it may be more time and cost efficient to hire individuals from dominant groups (e.g., men, ethnic/racial majority groups) than individuals from non-dominant groups (e.g., women, ethnic/racial minority groups). And in organizations where time-to-fill metrics are tracked as a measure of recruitment performance, formalized practices/policies to encourage recruitment of women and ethnic/racial minorities may conflict with organizational objectives regarding recruitment efficiency. Another example is the introduction of a childcare reimbursement policy to compensate employees for childcare expenses when they must travel overnight. While this policy is intended to support working parents, it may unintentionally put diversity objectives in conflict with cost containment objectives. It might be less expensive for a manager to send an employee who has a stay-at-home spouse on an overnight trip compared to one who has a working spouse. In an effort to meet short-term cost containment objectives, female reports, who are less likely than men to have stay-at-home spouses,[32] may not receive travel opportunities as often as male reports. To address these dilemmas that can undermine the impact of structural and policy changes to institutionalize D&I, change agents should: · **Identify the incentives influencing decision-makers** who are impacted by policy changes. · **Create awareness about trade-offs decision-makers must consider** between short-term organizational goals (e.g., efficiency) and long-term D&I goals. · **Change incentive structures** so that short-term efficiency goals do not routinely trump long-term D&I goals.[33]

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Building Change Commitment	**Develop a compelling business case for change.** • **Organizations are unlikely to adopt any change without a convincing rationale for how that change will advance the organization's primary mission.**[34]	**Go beyond the business case.** • **Although the business case provides a powerful motivation for organizational-level change, it may not be so effective in inspiring *individual-level* change.** Too often, efforts to win employee commitment do not go beyond the communication of a business case—a rationale for change based on the benefits that will accrue to the organization. However, winning the commitment of those individuals who must implement change requires far more than a business case. The following are measures that change agents can take to augment change commitment: · **Appeal to employees' personal values**—especially pro-social concerns about the "greater good"—as a motivation for embracing D&I.[35] · **Involve all ranks of employees in the implementation process.**[36] Engagement efforts that are primarily focused at the "top" can slow the change process by creating subcultures within the organization.[37] Strategies for engaging "rank and file" employees range from in-person meetings and discussion forums to web-based communications.[38] · **Make the change process fair and transparent.** Individuals will feel more committed to a change initiative if they perceive that they have had ample opportunities to voice their reactions and have been kept fully apprised of details regarding how and when the change will be implemented—especially if they perceive that they will be strongly impacted by the change.[39] · **Identify and be responsive to the needs of different groups of employees.** Strategies for engaging employees in the change effort should take employee roles and other individual characteristics, such as change readiness, into account. For example, employees who have more control over their work and high decision-making latitude tend to be more receptive to and supportive of organizational changes than individuals with less job control and decision-making latitude.[40] As such, change agents should pay particular attention to employees with lower job-control profiles, helping to improve their change receptivity with targeted communications and by identifying and removing barriers to their involvement in implementation plans.

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Managing Job-Level Impact	**Make D&I a part of everyone's day job.** • **Change formal work processes and requirements to be consistent with the desired behavioral changes.**[41]	**Remove performance hurdles.** • **Don't assume that changes to work processes and requirements will be readily adopted.** To facilitate compliance with change, change agents should take time to identify those individuals who will be most impacted by systemic changes and assess how these changes might make it more difficult for individuals to perform their jobs. Change agents should consider the following measures for managing job-level impact: · **Help individuals translate what D&I initiatives mean for them** by identifying specific actions they should take. · **Hold problem-solving forums** to detect and help address barriers to implementation.[42] · **Increase individuals' change self-efficacy by providing training with a primary focus on D&I skill-development** rather than just D&I awareness.[43] · **Adopt a small-wins approach,** implementing small, more easily digestible changes, a few at a time.[44] · **Carefully sequence or "piggy-back" the implementation of D&I initiatives,** where appropriate, so that individuals are not overwhelmed and so that other initiatives also being launched in the organization can be leveraged.[45]

CRITICAL FACTORS	CONVENTIONAL WISDOM	BEYOND CONVENTIONAL WISDOM
Increasing Behavioral Support	**Reward and recognize D&I supporters.** • **Practitioners are commonly advised to align organizational rewards and compensation systems with D&I objectives.[46]**	**Don't underestimate the impact of non-monetary rewards.** • **Although external rewards can be important for encouraging compliance for D&I change initiatives,[47] intrinsic rewards (e.g., opportunities for challenging and varied work) may provide an even stronger motivation for supporting change—** potentially inspiring collaboration and championing behavior. Relying solely on monetary rewards can be risky in that it can undermine the desire to engage in discretionary efforts to achieve change.[48] Change agents should consider how they can leverage intrinsic rewards to promote D&I. • **Social ties or influence (e.g., from peers and other respected individuals) can also be critical to maintaining employees' participation in change efforts.[49]** Change agents can help provide such support by establishing CoPs or networks for early adopters/supporters of D&I initiatives. CoPs and networks provide employees with a forum for sharing and learning from others' innovations, and a platform for collective action in implementing change.[50] Further, CoPs and networks can reinforce and reward change-aligned behaviors by meeting participants' needs for belonging and social affiliation.[51] • **Celebrate small wins.** Over time, recognizing small successes can help to energize and motivate individuals to continue their efforts to effect change.[52]

HOW ARE COMPANIES DOING?

CHANGE MANAGEMENT PERFORMANCE

How well are companies managing D&I change initiatives? To find out, Catalyst surveyed D&I leaders about their strategies for managing change. We conducted a comparative case study, examining how three different groups of companies were managing the critical change factors described above.[53] The first group of cases, referred to as "Experienced, Model-Driven" consisted primarily of companies that had been engaged in a formal D&I effort[54] for several years and had relied on a change model (defined as a framework, based on change management principles, that outlines key levers for managing change) to develop and implement their D&I strategies.[55] Most companies in the second group also reported having a formal D&I effort for several years[56] but—unlike the first—most did *not* rely on a change model to guide or inform their D&I strategies.[57] We referred to this group as "Experienced, Non-Model-Driven." The final group of cases included companies that were just beginning their formal D&I efforts and were relying on a change management model to fashion their D&I strategies.[58] We referred to this group as "Inexperienced, Model-Driven." By comparing these three groups, we offer insights about how these very different profiles and histories of diversity management might impact change performance.[59]

Table 2
Comparing Company Change Management Performance

CRITICAL CHANGE FACTORS	COMPANY CHANGE MANAGEMENT PERFORMANCE ★ ★ ★ Relatively high performance ★ ★ Relatively moderate performance ★ Relatively low performance		
	EXPERIENCED, MODEL-DRIVEN	EXPERIENCED, NON-MODEL-DRIVEN	INEXPERIENCED, MODEL-DRIVEN
Leadership	★ ★ ★ • A large majority of companies reported significant top and senior management buy-in, involvement, and accountability.[60] • A large majority of change agents were equipped with the training to support D&I initiatives; in most companies, D&I was relatively well-resourced in terms of the number of dedicated staff.[61]	★ ★ • A majority of companies reported significant top and senior management buy-in and accountability.[62] • Many change agents had the training to support D&I initiatives; but in most companies the number of staff dedicated to D&I was relatively low. [63]	★ • Few companies reported significant top and senior management buy-in, involvement, or accountability.[64] • Change agents were not well-equipped with the training to support D&I initiatives; and in most companies the number of staff dedicated to D&I was relatively low.[65]
Systemic Integration	★ ★ ★ • Seventy-six percent of responding companies scored high on an index measuring the integration of D&I into business processes.[66]	★ • Seventeen percent of responding companies scored high on an index measuring the integration of D&I into business processes.[67]	★ • None of the responding companies scored high on an index measuring the integration of D&I into business processes.[68]

Table 2
Comparing Company Change Management Performance (Continued)

CRITICAL CHANGE FACTORS	EXPERIENCED, MODEL-DRIVEN	EXPERIENCED, NON-MODEL-DRIVEN	INEXPERIENCED, MODEL-DRIVEN
Change Commitment	★ ★ • Seventy-one percent of companies scored high on an index of employee engagement.[69] • Twenty-nine percent of companies reported that communications about D&I included content about how change will benefit all individual employees—both underrepresented and dominant groups.[70]	★ • None of the responding companies scored high on an index of employee engagement.[71] • Twenty-five percent of companies reported that communications about D&I included content about how change will benefit all individual employees—both underrepresented and dominant groups.[72]	★ • None of the responding companies scored high on an index of employee engagement. • One-third of companies reported that communications about D&I included content about how change will benefit all individual employees—both underrepresented and dominant groups.[73]
Job-level Impact	★ ★ ★ • Ninety-four percent of responding companies reported that employees would need to make at least some substantive on-the-job changes[74] (i.e., changes that require new skills and knowledge) to meet D&I objectives, and *most* provided a high level of support to employees in making these changes.[75]	★ • Ninety-two percent of companies reported that employees would need to make at least some substantive on-the-job changes[76] (i.e., changes that require new skills and knowledge) to meet D&I objectives, yet a majority *did not* provide a high level of support to employees for making these changes.[77]	★ • Ninety-two percent of companies reported that employees would need to make at least some substantive on-the-job changes[78] (i.e., changes that require new skills and knowledge) to meet D&I objectives, yet a majority *did not* provide a high level of support to employees for making these changes.[79]
Behavioral Support	★ ★ • All companies had low levels of employee backlash and resistance to D&I.[80] • Twenty-four percent of responding companies spent a great deal of resources (50 percent or more of D&I staff time and budget) on developing D&I champions.[81]	★ • Fifty-eight percent of companies had low levels of employee backlash and resistance to D&I.[82] • None of the responding companies spent a great deal of resources (50 percent or more of D&I staff time and budget) on developing D&I champions.[83]	★ ★ • Seventy-five percent of companies had low levels of employee backlash and resistance to D&I.[84] • Twenty-five percent of responding companies spent a great deal of resources (50 percent or more of D&I staff time and budget) on developing D&I champions.[85]

Our analysis revealed that Experienced, Model-Driven companies far exceeded the other two groups in managing change performance factors. Based on the survey results, the former group demonstrated effective practices and/or positive outcomes related to leadership, systemic integration, and job-level impact. Change commitment and behavioral support were areas where we observed more modest performance and outcomes—a pattern that could be due to the fact that these companies admittedly had top-down change strategies and were not focusing as much on building commitment and support for change among the non-management and lower management ranks.

Both the Experienced, Non-Model-Driven and Inexperienced, Model-Driven groups performed relatively poorly on four out of five change performance factors and moderately well on one of the factors. Experienced, Non-Model-Driven companies performed moderately well on leadership, and the Inexperienced, Model-Driven group had moderate performance on behavioral support. We suspect these performance patterns were attributable to a number of factors, including the time each group had invested in D&I efforts, the use of strategic/change models, and the cultural contexts in which these organizations operated. For example, a majority of companies in the Inexperienced, Model-Driven group were based in Japan—a cultural context where there has historically been relatively little external pressure on organizations to create more diverse and inclusive workplaces.[86] Without this external pressure, both in terms of cultural expectations and business competition, these companies may have a more difficult task in engendering leadership commitment, involvement, and accountability for D&I inititiatives compared to companies in the Experienced, Non-Model-Driven group, which were largely based in the United States—a cultural context where there *is* external pressure on leaders to create diverse

and inclusive workplaces.[87] Further, the fact that the Inexperienced, Model-Driven organizations were placing more emphasis on behavioral support activities than Experienced, Non-Model-Driven companies might be due to the fact that the former group was operating in a climate where the concept of managing D&I is relatively new[88] and where relatively higher levels of resistance and/or non-compliance would be anticipated. Given that developing and cultivating champions is recommended by strategic change management principles,[89] an emphasis on such activity is also consistent with the systematic approach reported by companies in the Inexperienced, Model-Driven group.

DIVERSITY PERFORMANCE

To augment our analysis of change performance among the three groups of companies, we also gathered information about the level of gender diversity each group had achieved. Although our case study approach did not give us a large enough sample size to analyze statistical differences between the groups, the pattern was as we might predict based on their change performance results and the length of time organizations had formal D&I efforts in place. The Experienced, Model-Driven companies—those that performed best at managing the change performance factors and had a formal D&I effort for a long period of time—reported the highest levels of gender diversity. The Experienced, Non-Model-Driven companies and Inexperienced, Model-Driven companies did not fare as well. Based on the well-established finding that D&I efforts have delayed and incremental effects on representation,[90] it is not surprising that the Experienced, Non-Model-Driven group of companies would report higher gender diversity than the Inexperienced group. With most in latter group reporting 5 or fewer years of working on D&I, they simply may not have had enough time to effect change--despite taking a superior, model-driven approach to the work.

Table 3
Measuring Diversity Performance: Representation of Women

EMPLOYEE RANK	DIVERSITY PERFORMANCE: REPRESENTATION OF WOMEN[91]		
	EXPERIENCED, MODEL-DRIVEN	EXPERIENCED, NON-MODEL-DRIVEN	INEXPERIENCED, MODEL-DRIVEN
Executive Officers	12–20%	6–10%	0%
Senior Managers, Senior Directors, or Partners	27–35%	17–25%	0%
Managers, Directors, or Associates	37–45%	27–35%	0–5%

COMPANY PERFORMANCE HIGHLIGHTS

Time and strategic focus matter[92] when it comes to D&I. Overall, the Experienced, Model-Driven companies performed relatively well at managing the critical change factors and also reported higher levels of gender diversity. Companies in the Experienced, Non-Model-Driven and Inexperienced, Model-Driven groups did not fare as well—both in terms of change performance and gender diversity. Our analysis suggests:

- Companies that had a formal D&I effort for a longer period of time were doing better at managing change factors and reported more gender diversity in their workforces.[93]
- Taking a strategic approach to D&I and sticking to it over time yields the greatest impact on gender diversity.[94]

FROM THE FIELD:
EXAMPLES OF EFFECTIVE CHANGE MANAGEMENT PRACTICES

The following are real-life examples of how companies have put some of the key change management principles described in this report into practice.

LEADERSHIP

BAXTER INTERNATIONAL INC.—*BUILDING TALENT EDGE*

In 2005, Baxter in Asia Pacific developed *Building Talent Edge*, a talent management initiative to cultivate a more effective, diverse, and sustainable organization. The initiative focuses on creating a 50/50 gender balance across "critical" positions (upper management and above) throughout the 14 countries in its region.

The Asia Pacific Leadership Team (APLT) was created by appointing leaders of each function for the new region. Other leaders who shared this perspective on the importance of gender balance to business success were recruited. The composition of the APLT reinforces the value of diversity: its 19 members come from 13 nations, and seven of them are women. Members of the APLT show commitment and responsibility to the initiative by participating in talent development programs. They act as program sponsors and select women to participate in these programs. Senior leaders also take part in the Organizational Inventory meeting, a major component of the talent management system that ensures women's representation in succession planning. Each country general manager also sponsors Fitness training (a training program which aims to improve the clinical, product, and marketing knowledge of Asia Pacific teams), which is necessary for advancement to leadership. Senior leaders mentor women, another activity supported by Baxter's strong learning culture and team orientation.

Baxter's Asia Pacific President, Gerald Lema, commits significant time to the initiative and participates in Baxter's Leadership Acceleration Program (LEAP) by teaching courses and personally reviewing team projects.

Compelling Change Management Factors:

- Instrumental leader involvement in both the oversight *and* implementation of the initiative.

- The initiative is led by a coalition of influential leaders—all function heads in the region—not just D&I staff.

SYSTEMIC INTEGRATION

THE PROCTER & GAMBLE COMPANY—*GLOBAL TALENT MANAGEMENT*

People development is a critical part of all managers' performance assessment, up to and including senior management. Because of P&G's global talent management approach, the company has highly qualified diverse leaders in all regions of the world. People and positions are tracked in an on-line talent development system—sufficiently robust to accommodate all of the company's 138,000 employees. The system enables employees to play an active role in their career development and to help develop their direct reports. Employees at all levels—from clerical and entry-level associates to senior executives—have the opportunity to complete "talent profiles," which include their career history, specific experiences, long-term career interests, functional skills, language ability, and mobility preferences and constraints. Managers use the system to approve skills assessments, identify development opportunities, and set development goals. Human Resources (HR) managers use the system to capture employees' promotion readiness, potential, destination jobs, and next assignment(s). This system, in conjunction with the company's "Open Job Posting" system, makes in-house talent visible to managers with an opening, allowing them to quickly identify qualified candidates based on concrete criteria and data versus having to rely on people they know personally.

Compelling Change Management Factors:

- The online talent management system motivates decision-makers to be inclusive, considering the full available talent pool— at all levels, from clerical staff to senior executives— instead of relying on personal networks by making it easy and more efficient to do so.

- Recruitment, career development, and succession planning processes are consistently aligned with the organization's D&I objectives.

HARLEY-DAVIDSON, INC.—*OPTIMIZING TALENT: A CULTURE OF EMPOWERMENT*

Since implementing *Optimizing Talent: A Culture of Empowerment* in the mid-1990s, Harley-Davidson has achieved tremendous business success, in part, by empowering all employees, regardless of race or gender, to be true partners in its business. To create a more open environment, Harley-Davidson flattened its hierarchical organizational structure and replaced it with three Business Circles: Create Demand, Produce Products, and Provide Support. In addition, it eliminated almost all titles at the senior vice president level and above, and employed a consensus-based decision-making model. The circle structure encourages consultation and a highly inter-dependent culture across functional boundaries, provides exposure for employees to a wide variety of disciplines, and gives employees opportunities to demonstrate their talents and contributions and to be recognized among a broad range of peers and management. An open-door policy, which includes the CEO, reinforces Harley-Davidson's egalitarian culture, ensures that employees have access to all levels of management, and encourages individuals to utilize that access. Employees are provided with the tools and training necessary to make significant business decisions, innovate, and meet new business challenges, and formal development and review mechanisms ensure that employees achieve high levels of visibility within the organization.

Compelling Change Management Factors:

- Harley-Davidson redesigned its core organizational structure to align with its objectives of creating an open and inclusive workplace culture where all employees are business partners and participate in organizational decision-making.

- Its training and development and performance management systems were also redesigned to ensure that employees have both the skills and opportunities to become effective business partners and decision-makers.

CHANGE COMMITMENT

ERNST & YOUNG LLP—*CULTIVATING MEN AS ALLIES*

An Ernst & Young priority is the engagement of men as gender champions and allies. Historically, the firm has always integrated men into its strategy, but in 2006 it decided to make a more conscious effort to engage men in conversations about gender equality. The Inclusiveness team, along with a male coach, conducted focus groups with about 300 men across the United States and Canada to better understand the perspectives of men in the firm. Based on insights from these focus groups, Ernst & Young began formulating a new strategy for engaging men in gender equity initiatives. Two features of this effort include:

- **Firm-wide leadership workshops:** As part of the firm's Women's Leadership Conferences, Ernst & Young engages women and men leaders in dialogue about what can be done—by individuals and by the firm—to achieve gender equity. Important ground rules for these discussions include candor and an appreciation of the perspectives that both women and men bring. Key areas of content addressed in these sessions include micro-inequities, unconscious biases, and the personal costs of gender inequity for both women *and* men.

- **Locally driven workshops and solution-building:** Based on the model provided by the firm-wide workshops, business units are encouraged and supported in implementing locally driven, "straight-talk" gender dialogues. These dialogues have been critical in engaging partners on key issues as well as in the development of locally-owned solutions and strategies. Key outcomes have included action plans for improving current performance management processes.

Compelling Change Management Factors:

- Constituent groups who might be most resistant or apprehensive about gender inclusion initiatives (i.e., men) are integrally involved in the change planning and implementation process, building change commitment among this dominant and powerful employee group.

- Frank exchange between women and men leaders helps to identify resistance and barriers to implementation.

JOB-LEVEL IMPACT

IBM CANADA—*ENHANCING INCLUSION THROUGH CRITICAL RELATIONSHIPS AND CULTURAL AWARENESS*

IBM has a long history of global diversity and inclusion programming. IBM Canada has developed specialized programming to support diverse groups—including visible minorities and women—and leverage diversity. IBM Canada recognized that in order to ensure that managers are fluent in the business case for diversity and aware of how their own assumptions may impact their reports, training was an important first step. To date, more than 3,000 IBM Canada managers from across the country, including senior executives, have been trained. In addition, managers are given tools to help them have meaningful conversations with their reports following training.

Diversity training helps participants learn how to leverage differences, and it explores the difference between simply recognizing diversity and leading with a full understanding of how inclusion can benefit the business. IBM Canada's two-day *Diversity and Inclusive Leadership* training program has a number of goals and outcomes:

- **Recognize frames of reference.** The first day of the program aims to reveal each employee's frame of reference. Participants learn about their pre-conceived biases toward others and move closer to understanding the "why" behind judgments and discrimination.
- **Move beyond frames of reference and lead with inclusion.** The second day is geared toward understanding how frames of reference play out in the workplace and how to remove the biases and notions of "insiders and outsiders." Managers learn how to put aside the frames of reference that may predispose them to pre-judging others. The training uses case studies, videos, role play, and dialogue to help managers see their colleagues in an inclusive way. It is mandatory that training sessions include at least one case study focusing on LGBT issues.
- **Support action with *Fit for You*.** IBM Canada complements the mandatory manager training with *Fit for You*, a booklet available from the intranet that helps managers enact what they have learned. *Fit for You* gives managers strategies for having dialogues about what their employees need, as well as for setting goals for the relationship. Other diversity content and information posted to the intranet, blogs, and podcasts helps managers and employees keep updated on diversity information and continue their learning beyond *Diversity and Inclusive Leadership*.

Compelling Change Management Factors:

- The training objectives go beyond awareness to equipping managers with skills to enact change on the job.

- IBM Canada provides after-training support to reinforce new skills, through the intranet, blogs, and podcasts.

- More than a cursory treatment of D&I topics, the training allows managers to explore material with peers and instructors in-depth, over the course of two days.

BEHAVIORAL SUPPORT

HSBC-NORTH AMERICA—*VALUING DIVERSITY CHAMPIONS: HSBC-NORTH AMERICA'S DIVERSITY AMBASSADOR AWARDS PROGRAM*

HSBC–North America's Diversity Ambassador Awards program was developed at the beginning of 2006 by the HSBC–North America Diversity Advisory Council. The program is one way to reward and recognize employees who are living the values and bringing their own personal passion for diversity to their jobs. In 2006, 53 employees at all levels and from various lines of business and different parts of the country were nominated. The Diversity Advisory Council designated eight of these nominees as Diversity Ambassadors. HSBC–North America describes these employees as "true models of diversity." The eight Diversity Ambassadors were recognized for a variety of diversity efforts, including significantly aiding recruitment efforts of people of color within the company, introducing diversity groups and expanding local diversity efforts within branch locations, rolling out a local diversity council and events in a business unit or community, and focusing on the visibility of the LGBT employee population.

Compelling Change Management Factors:

- The Awards program reinforces desired behaviors among existing champions.

- The program provides inspiration to individuals showing lower levels of behavioral support (i.e., compliance or cooperation) to become champions.

- It provides visible examples of what individuals can do to support change.

METHODOLOGY AND PARTICIPATING COMPANY PROFILES

SURVEY PROCEDURE

Catalyst contacted senior D&I professionals at 400 companies with an invitation to participate in a study examining strategies for managing D&I initiatives. We then sent online surveys to those who expressed an interest in participating in the study. We received surveys from 43[95] organizations for a response rate of 10.8 percent. Twenty-nine of these participating organizations, based primarily in the United States, completed an English version of the survey. The remaining 14, mostly based in Japan, completed a Japanese version.[96]

SURVEY ITEMS

We surveyed D&I leaders about the nature and perceived effectiveness of their organizations' D&I change strategies. We combined several items into indices to assess change management activities related to key predictors—identified from previous research—of change performance. Cronbach's alphas for all of the following indices were equal to or greater than 0.7.
- Employee engagement (six items)
- Integration of D&I into the business (six items)
- Backlash/resistance (two items)
- Management accountability (two items)

Figure 2
Survey Index and Item Descriptions

Employee engagement: This index assessed employees' attitudes and behaviors towards D&I efforts. Questions pertained to topics such as communication employees received about D&I programs, employees' willingness to alter behaviors to help the organization achieve its D&I goals, and perceptions regarding the success of D&I initiatives.

Integration of D&I into the business: This index measured the integration and importance of diversity programs to the organization. Items assessed the emphasis that human resources, top leaders, senior managers, middle managers, and the organization as a whole placed on achieving D&I goals.

Backlash and resistance: These two items assessed whether D&I programs resulted in negative attitudes and conflict.

Management accountability: These two items determined the involvement of organizations' boards of directors in D&I programs.

Additional items assessed demographic changes in the workforces of participating companies, organization size, structure, internal and external cultures, and geographic locations.

ANALYSES

We performed a cluster analysis of all companies that completed the English version of the survey to identify groups of cases with similar responses to items described in Figure 2.[97] Based on this analysis we identified two groups: one that had relatively favorable scores on all of the indices (labeled the Experienced, Model-Driven group) and one with relatively unfavorable scores (labeled the Experienced, Non-Model-Driven group). We also performed a discriminant analysis predicting company membership in these two groups based on their index and item scores. This analysis resulted in correct assignments to the two groups 95.8 percent of the time. A third group of companies, those that completed the survey in Japanese, were held out as a separate group (labeled the Inexperienced, Model-Driven group).[98] After identifying these three groups, we compared them on a number of company characteristics using a case study approach. In addition to their responses to index items, a few characteristics stood out as differentiators and informed our understanding and description of the clusters. These included whether the companies had used a change model to guide their D&I initiatives and the length of time the companies had a formal D&I effort. Even with very small numbers of cases, binomial tests showed that significantly more than 50 percent of responding companies in the Experienced, Model-Driven and Inexperienced, Model-Driven groups reported using a change model to guide their D&I strategies.[99] This was not the case with the Experienced, Non-Model-Driven group.[100] Further, unlike the remaining groups,[101] significantly more than 60 percent of Inexperienced, Model-Driven companies had a formal D&I effort for five or fewer years.[102] Our assessment of company change management practices was based primarily on a descriptive analysis of company responses as well as previous research on effective change management practices.

Table 4
Characteristics of Participating Companies[103]

Industry Type	Experienced, Model-Driven (n=16)	Experienced, Non-Model-Driven (n=12)	Inexperienced, Model-Driven (n=11)
Accounting	12.5% (2)	0.0% (0)	0.0% (0)
Advertising/PR	0.0% (0)	0.0% (0)	9.1% (1)
Automotive	0.0% (0)	8.3% (1)	0.0% (0)
Commercial Banking	6.3% (1)	0.0% (0)	9.1% (1)
Consumer Products, Manufacturing	12.5% (2)	16.7% (2)	18.2% (2)
High Tech, Computers, Software, Internet	0.0% (0)	0.0% (0)	9.1% (1)
Industrial Manufacturing	6.3% (1)	8.3% (1)	0.0% (0)
Insurance/Financial Services	25.0% (4)	8.3% (1)	9.1% (1)
Law	6.3% (1)	16.7% (2)	0.0% (0)
Management Consulting	0.0% (0)	0.0% (0)	9.1% (1)
Pharmaceuticals/Biotech	6.3% (1)	8.3% (1)	0.0% (0)
Retail	0.0% (0)	8.3% (1)	0.0% (0)
Transportation	0.0% (0)	0.0% (0)	9.1% (1)
Telecommunications	0.0% (0)	8.3% (1)	9.1% (1)
Other Services	25.0% (4)	16.7% (2)	18.2% (2)

Table 4
Characteristics of Participating Companies (Continued)

Organizational Revenue (in USD)	Experienced, Model-Driven (n=16)	Experienced, Non-Model-Driven (n=12)	Inexperienced, Model-Driven (n=11)
Under 100 million	0.0% (0)	0.0% (0)	18.2% (2)
100 million to under 500 million	0.0% (0)	0.0% (0)	0.0% (0)
500 million to under 1 billion	6.3% (1)	8.3% (1)	9.1% (1)
1 billion to under 5 billion	12.5% (2)	41.7% (5)	9.1% (1)
5 billion to under 15 billion	43.8% (7)	25.0% (3)	18.2% (2)
15 billion or more	37.5% (6)	25.0% (3)	45.5% (5)
Organizational Workforce Size	**Experienced, Model-Driven (n=16)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=11)**
200 to 1,000	0.0% (0)	8.3% (1)	0.0% (0)
1,001 to 5,000	12.5% (2)	25.0% (3)	0.0% (0)
5,001 to 25,000	25.0% (4)	25.0% (3)	63.6% (7)
25,001 to 100,000	37.5% (6)	33.3% (4)	27.3% (3)
100,001 to 500,000	25.0% (4)	8.3% (1)	9.1% (1)
Organizational Type	**Experienced, Model-Driven (n=16)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=11)**
Professional Services Firm	18.8% (3)	25.0% (3)	0.0% (0)
Corporation	81.3% (13)	75.0% (9)	100.0% (11)
Organizational Business Model	**Experienced, Model-Driven (n=16)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=11)**
Consumer Business	18.8% (3)	16.7% (2)	18.2% (2)
Business to Business	25.0% (4)	33.3% (4)	27.3% (3)
Both	56.3% (9)	50.0% (6)	54.5% (6)
Length of Formal D&I Effort	**Experienced, Model-Driven (n=16)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=12)**
5 or fewer years	25.0% (4)	33.3% (4)	91.7% (11)
6 to 10 years	37.5% (6)	16.7% (2)	8.3% (1)
11 or more years	37.5% (6)	50.0% (6)	0.0% (0)
Use of Change Model	**Experienced, Model-Driven (n=15)**	**Experienced, Non-Model-Driven (n=11)**	**Inexperienced, Model-Driven (n=9)**
Yes	75.0% (12)	41.7% (5)	75.0% (9)
No	18.8% (3)	50.0% (6)	0.0% (0)
D&I Strategy Consists of:	**Experienced, Model-Driven (n=16)**	**Experienced, Non-Model-Driven (n=11)**	**Inexperienced, Model-Driven (n=11)**
Primarily Short-Term Objectives	25.0% (4)	54.5% (6)	18.2% (2)

Table 4
Characteristics of Participating Companies (Continued)

Short and Long-Term Objectives	75.0% (12)	36.4% (4)	63.6% (7)
Primarily Long-Term Objectives	0.0% (0)	9.1% (1)	18.2% (2)
Number of Full-Time D&I Staff	**Experienced, Model-Driven (n=17)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=13)**
Less than 1	5.9% (1)	16.7% (2)	14.3% (2)
1 to 5	41.2% (7)	66.7% (8)	78.6% (11)
6 to 10	11.8% (2)	8.3% (1)	0.0% (0)
11 to 15	23.5% (4)	0.0% (0)	0.0% (0)
16 to 20	11.8% (2)	8.3% (1)	0.0% (0)
21 to 25	5.9% (1)	0.0% (0)	0.0% (0)
Who Bears Primary Accountability for D&I	**Experienced, Model-Driven (n=17)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=12)**
Top Management	47.1% (8)	25.0% (3)	35.7% (5)
Senior Management	17.6% (3)	25.0% (3)	14.3% (2)
Human Resources	11.8% (2)	16.7% (2)	21.4% (3)
Diversity Committee/Advisory Council	5.9% (1)	8.3% (1)	0.0% (0)
D&I Staff or Functions	17.6% (3)	25.0% (3)	14.3% (2)
Primary Rationale for D&I Programs	**Experienced, Model-Driven (n=17)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=13)**
Remain competitive	5.9% (1)	25.0% (3)	7.1% (1)
Access to top talent	58.8% (10)	25.0% (3)	42.9% (6)
Access to diverse markets	0.0% (0)	8.3% (1)	14.3% (2)
Facilitate globalization	5.9% (1)	0.0% (0)	0.0% (0)
Increase innovation	5.9% (1)	0.0% (0)	7.1% (1)
Reduce turnover costs	0.0% (0)	8.3% (1)	7.1% (1)
Increase employee engagement	11.8% (2)	33.3% (4)	14.3% (2)
Improve organizational reputation or brand	11.8% (2)	0.0% (0)	0.0% (0)
Issues Most Commonly Ranked Among the Top 3 Challenges to D&I	**Experienced, Model-Driven (n=17)**	**Experienced, Non-Model-Driven (n=12)**	**Inexperienced, Model-Driven (n=14)**
Lack of Urgency Regarding D&I Efforts	n/a[104]	50.0% (6)	n/a
Competing Organizational Pressures/Demands	82.4% (14)	58.3% (7)	n/a
Communicating about D&I Efforts at all Levels of Workforce	n/a	n/a	57.1% (8)
Lack of Middle Management Commitment/Support	n/a	58.3% (7)	50.0% (7)

ENDNOTES

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54 Responding companies were asked to indicate the length of time their organizations had a formal D&I effort. A "formal" D&I effort was defined as one supported with dedicated budgets and staff.

55 Seventy-five percent of responding companies in this group reported using a change model to inform their D&I strategies.

56 A large majority of companies in the first and second groups had a formal D&I effort for more than five years. See Table 1 for detailed profiles of each group.

57 Only forty-two percent of responding companies in this group reported using a change model to inform their D&I strategies.

58 This group consisted primarily of Japanese-based companies, and more than 90 percent had formal D&I efforts for five years or less.

59 See the Methodology and Participating Company Profile section for detailed information about each of these case groups.

60 Eighty-eight percent of responding companies (15) reported that senior managers are personally committed to helping achieve D&I goals, (n=17); seventy-one percent (12) indicated that managers played both an instrumental and symbolic role in driving D&I initiatives, (n=17); and eighty-seven percent (13) scored high on an index of management accountability (measuring board involvement in D&I initiatives), (n=15); high scores were judged as those higher than 8 on a scale ranging from 2-10.

61 Eighty-eight percent of responding companies (15) reported that D&I staff had formal training in organizational development or change management, (n=17); more than half (53 percent, 9) had more than 5 staff dedicated to D&I, (n=17).

62 Sixty-seven percent (8) reported that senior managers are personally committed to helping achieve D&I goals, (n=12); sixty-seven percent (4) indicated that managers played both an instrumental and symbolic role in driving D&I initiatives (n=6); and sixty percent (3) scored high on an index of management accountability (measuring board involvement in D&I initiatives), (n=5); high scores were judged as those higher than 8 on a scale ranging from 2-10.

63 Sixty-seven percent of responding companies (8) reported that D&I staff had formal training in organizational development or change management, (n=12); a large majority (83 percent, 10) had 5 or fewer staff dedicated to D&I, (n=12).

64 Only 25 percent (3) agreed that senior managers are personally committed to helping achieve D&I goals, (n=12); only 33 percent (2) agreed that managers played both an instrumental and symbolic role in driving D&I initiatives, (n=6); and no companies scored high on an index of management accountability, (n=6); high scores were judged as those higher than 8 on a scale ranging from 2-10.

65 Seven percent of responding companies (1) reported that D&I staff had formal training in organizational development or change management, (n=14); all companies (100 percent) had 5 or fewer staff dedicated to D&I, (n=13).

66 n=16; high scores were defined as 26 or greater on a scale from 7.5-35, with greater scores indicating high integration of D&I into the business.

67 n=6; high scores were defined as 26 or greater on a scale from 7.5-35, with greater scores indicating high integration of D&I into the business.

68 n= 4; high scores were defined as 26 or greater on a scale from 7.5-35, with greater scores indicating high integration of D&I into the business.

69 n=17; high scores were defined as 24 or greater on a scale from 5.75-30, with greater scores indicating more practices or conditions associated with employee engagement.

70 n=17; research suggests that perceiving personal stake is critical for developing change commitment (see Fedor et al.).

71 n=12; high scores were defined as 24 or greater on a scale from 5.75-30, with greater scores indicating more practices or conditions associated with employee engagement.

72 n=12.

73 n=12.

74 n=17.

75 A majority (56 percent, 9) of responding companies offered courses that took more than one day to complete, (n=16); eighty-eight percent (15) and 77 percent (13) offered diversity leadership and general diversity skills training respectively to senior management, (n=17); ninety-four percent (16) and 77 percent (13) offered diversity leadership and general diversity skills training, respectively, to middle management, (n=17).

76 n=12.

77 Only ten percent (1) of responding companies offered courses that took more than one day to complete, (n=10); only 50 percent (6) and 33 percent (4) offered diversity leadership and general diversity skills training respectively to senior management, (n=12); only 50 percent (6) and 42 percent (5) offered diversity leadership and general diversity skills training respectively to middle management, (n=12).

78 n=12.

79 One hundred percent of responding companies offered courses that took less than one day to complete, (n=8); only 14 percent (2) and 7 percent (1) offered diversity leadership and general diversity skills training respectively to senior management, (n=14); only 14 percent (2) and 21 percent (n=3) offered diversity leadership and general skills diversity training respectively to middle management, (n=14).

80 n=17; low scores were defined as 4 or lower on a scale from 2-10, with lower scores reflecting fewer indicators of backlash and resistance to D&I.

81 n=17.

82 n= 12; low scores were defined as 4 or lower on a scale from 2-10, with lower scores reflecting fewer indicators of backlash and resistance to D&I.

83 n=12.

84 n=12; low scores were defined as 4 or lower on a scale from 2-10, with lower scores reflecting fewer indicators of backlash and resistance to D&I.

85 n=12.

86 David Chiavacci, "Changing Egalitarianism? Attitudes Regarding Income and Gender Equality in Contemporary Japan," *Japan Forum,* vol. 17, no.1 (March 2005): p. 107-131.

87 Rana Haq, "International Perspectives on Workplace Diversity," in Margaret S. Stockdale and Faye J. Crosby, eds., *The Psychology and Management of Workplace Diversity* (Malden, MA: Blackwell Publishing, 2004): p. 277-298; Rose Mary Wentling, "Factors that Assist and Barriers that Hinder the Success of Diversity Initiatives in Multinational Corporations," *Human Resource Development International*, vol. 7, no. 2 (June 2004): p. 165-180.

88 Haq; Wentling suggests that diversity management efforts are more common in countries like the U.S. where there have been dramatic demographic changes in the workforce.

89 For example, Booz Allen Hamilton.

90 Barry and Bateman.

91 Reflects the modal response for companies in each of the three clusters and reflects the gender mix in the respective employee populations for fiscal year-end 2007.

92 Allen and Montgomery; Lucey; Parshotam Dass and Barbara Parker, "Strategies for Managing Human Resource Diversity: From Resistance to Learning," *Academy of Management Executive*, vol. 13, no. 2 (May 1999): p. 68-80; Wentling.

93 Barry and Bateman.

94 Dass and Parker; Lucey.

95 Two companies were excluded due to missing data.

96 A Japanese version of the survey was developed by a Japanese translator with expertise in D&I issues. A representative for the Japanese participating companies reviewed the survey with the translator to address issues of interpretability and accuracy. The translator subsequently made adjustments to the language to address these issues and to ensure equivalence with the English version of the survey.

97 Only responses to one item on the Management Accountability Index and Integration of D&I Into Business Index was included in the cluster and discriminant analyses.

98 Due to cultural and historical differences and with respect to D&I management, we considered it inappropriate to include companies that responded to the Japanese survey (i.e., companies that were predominantly based in Japan) with companies that completed the English version (i.e., companies that were predominantly based in the U.S.) in same the cluster analysis.

99 All p values <.05.

100 p >.05.

101 All p values <.05 for alternative hypothesis—significantly more than 60% of companies indicated having a formal D&I effort for more than 5 years.

102 p<.05.

103 Reported *n*s vary based on the number of companies that provided valid responses and do not always add up to 43.

104 N/a indicates that less than 50 percent of responding companies identified the named challenge as among the top three being faced in their respective organizations.

ACKNOWLEDGMENTS

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