

Accessing the Silent Talent:

An Inside View of Targeted Identity Recruiting Trends April 15

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I. Executive Summary

In 2016, we updated our white paper series focused on these key areas measured which includes Representation, Board Diversity and Recruitment. This updated paper focuses on Accessing the Silent Talent: An Inside View of Targeted Identity Recruiting. This research is from our data on targeted populations of persons with disabilities, veterans and LGBT identity. We examined company behaviors, practices and attitudes around recruiting these groups and creating inclusive environments.

Understanding diversity trends and metrics that support strategic positioning, decision making and key influencers are necessary to leverage competitive advantages across sectors. Moreover, inclusion is no longer nice to simply promote, but it is necessary in practice at every level if organizations are going to guarantee sustainability. Commitment to diversity and inclusion requires a robust strategy that is ever evolving. Data is only one component; uncovering truths with awareness and bias programs are just the beginning of this journey. Learning behaviors that support engagement and inclusion is both necessary and responsible.

Through the findings of the *Inclusive Leadership Index (ILI)* the dimensions of diversity will continue redefining itself as companies learn how to create and sustain inclusive cultures. While, representation is used as a critical Key Performance Indicator (KPI) in diversity & inclusion strategies to ensure movement towards a balanced workforce; measuring the gender and ethnicity mix is no longer enough. We must identify all groups in the workforce, which includes persons with disabilities, veterans and persons of LGBTQ orientation.

To further the dialogue, Diversity MBA is focusing this white paper on Accessing the Silent Talent: *Inside View of Targeted Recruiting Trends*; the groups that fear self identification as a barrier and not an advantage. The Inclusive Leadership Index (ILI) examines hiring trends and practices that companies have integrated into their strategies. The time is here and now for organizations to embrace the disparities and gaps, to rethink, rework and retool their efforts to support all groups for advancement.

II. About the Research

Diversity MBA is a national research organization that measure Diversity & Inclusion and talent management comprehensively; and the impact on diversity as it relates to all diverse populations in the workforce. Inclusive Leadership Index measures how people of color and women are developing and advancing in management. Our partnerships with the DePaul University Marketing Department, chair by Dr. Susan Fogel, spanned over five years creating a methodology our research process, administration, validation of results, and established credibility. Today we continue working with educators and psychologists to support our goals to explore and measure the depths of behaviors, attitudes, and metrics to continue to share insights workplace diversity and inclusion. Chicago School of Psychology, under Dr. Patricia Arredondo's leadership advanced our research on understanding behaviors in the workplace.

Below are the top benchmarking organizations who measure the impact of inclusion, engagement, systems and compliance in the workforce:



➤ D&I Strategy – Talent Management & Leadership Development



➤ D&I Strategy - Compliance & Supplier Diversity



➤Women & Work Life Balance



➤ Perception of all Employees of Work Life



Women in Boards, Leadership & Management



➤ Programs that Support LGBT



➤ HACR – Measures Corporate Responsibility

II. About the Research

Diversity MBA has completed its 11th annual to "*Inclusive Leadership Index (ILI).*" The index is now designed to capture more specific data as these relate to talent management strategies, practices, methods and processes and impact.

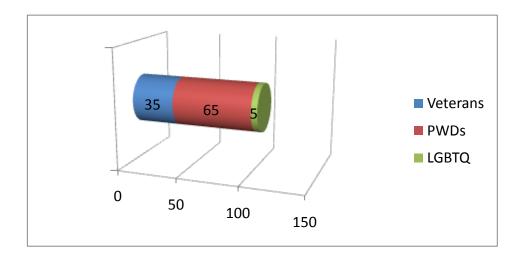
Participation in the index has increased year over year by 30 percent. However, the Inclusive Leadership Index has consistently attracted 30 percent new companies and industries. The average size of the multinational company's employee base has increased to 35,000; while the Regional's remain constant with an average size of 5,000 employees. Although 600 companies registered to participate in the index only 315 companies qualified for index analysis to compete for the ranking. All companies qualify for industry benchmarking and category indexing that include: Accountability, Succession Planning, Workplace Inclusion; Recruitment and Representation.

Within the past decade research giants, like PEW, Global Lead and Nielsen have chronicled the growth of the USA population and analyzed the U.S. census data to identify trends where population growth can and will impact consumer behavior in spending, economic changes as well as, potentially influence workforce hiring and talent retention.

Inclusive Leadership Index (ILI) specifically references the Nielsen Diverse Intelligence Series (www.nielsen.com) as it highlights consumer behavior trends that tie directly to the changes in the general U.S. population. Nielsen predicts the continued consumer influence on population behavior for Hispanic, Asian, African American, Millennial, LGBTQ and Person with Disabilities markets. The series also highlights demographic shifts which have significant implications for workforce hiring, aging, and the integration of next generations.

DMBA Inclusive leadership index has intentionally shown that CEO commitment is a valid indicator for organizations making the necessary adjustments in their strategies to *support inclusion*.

Global Population Insights:



15-20 percent of every country's population is disabled

Findings:

For the past several years, DMBA Inclusive Leadership Index has examined how companies recruit targeted groups to gain insights on the breadth of the diversity talent pipeline. Our research uncovered the growing platform of identity and how persons with disabilities, veterans and LGBTQ identity influence targeted recruiting but are not tracked on a consistent basis within the workforce.

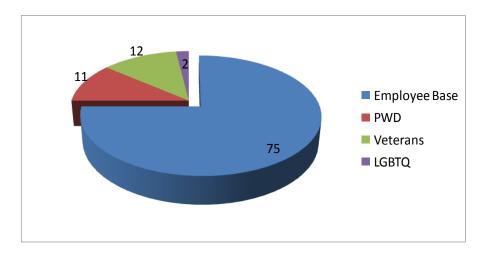
Persons with disabilities are the world's largest minority with 650 million people in this group; literally 10 percent of the population. Another fact is that 1 in 7 persons have a disability. More than 60 percent of persons with disabilities are of working age but only 17.6 percent are employed according to U.S. Census Bureau. Veterans are 35 percent of the population, with approximately 13.9 million veterans a part of the civilian labor force. Many veterans have a disability according to Bureau of Labor Statistics. Five percent of the workforce has self identified as LGBTQ based on several data sources including DMBA ILI.

Implications:

Today, our research shows that there is a movement to engage and develop veterans in the workplace so self identification is increasing among this group. However, companies remain challenged with getting persons with disabilities and LGBTQ to self identify although they have the desire to learn more, because the global population is flattening.

IV. REPRESENTATION

Employee Base by Group: data source 2016 DMBA ILI



Findings:

This illustration is important due to the unknown factor(s) in company's employee base. Self identification in the on boarding process is the most prevalent way to engage all of the above groups. However, companies are limited due to legal requirements. With only 11 percent of persons with disabilities (PWDs) self identifying, 12 percent of veterans and 2 percent LGBTQ is an indicator that companies must create environments of trust and encourage innovation for self identification and participation.

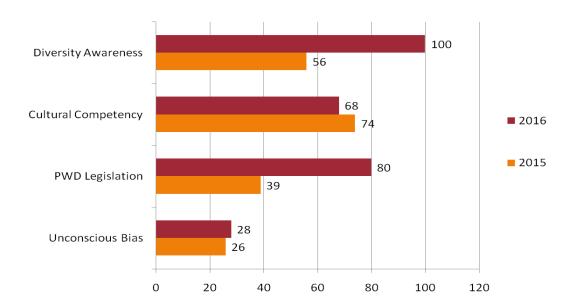
Implications:

Companies are trying to create inclusive cultures, but there is an unknown variable of people that need to self identify, so that total engagement and/or inclusion will be achieved. The issue to ponder is what are the cultural issues that prevent companies from taking deeper dive to gain trust.

To Watch:

The companies, who are leveraging current ADA legislation allows them the ability to inquire beyond accommodations to facilitate employees sharing more about themselves. Moreover, companies that understand implicit and explicit bias, require all managers to take the training as well as implement follow up practices for engagement.

V. RECRUITER'S TRAINING



Findings:

It has become popular within the past decade to engage all employees in diversity training. Today, 100 percent of companies participate in experiential learning of some type that is considered awareness training, this is a significant increase from 56 percent of companies in 2015. The change we have seen is the increase in companies that have employees participate in cultural competency training. In fact, 74 percent of companies require their recruiters to receive this training. It is important to note that Unconscious Bias training is just now being introduced as a necessity for managers and even more so, for recruiters. Only 2 percent increase since 2015 of companies require their recruiters to participate in Unconscious Bias training. Good news is the 80 percent of companies require recruiters to participate in some training related to persons with disabilities.

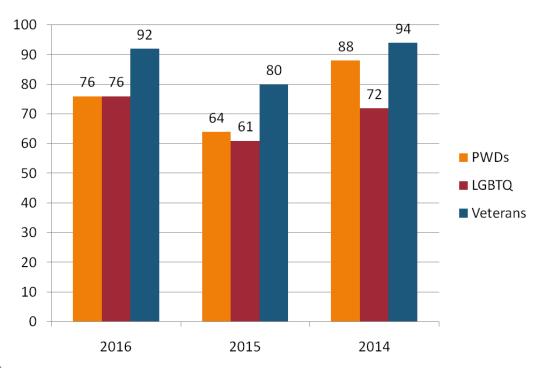
Implications:

If companies are committed to recruiting talent that brings unique issues to the workplace but are not actively integrating the required training, a gap is being created. Talent acquisition must ensure that front line recruiters are equipped and prepared if they really want to close the disparity gap among persons with disabilities and veterans.

To Watch:

Companies that have invested cultural competency and unconscious bias training with specific attention to source talent are on a trajectory for greater success to institutionalize practices of inclusion.

VI. TARGETED RECRUITING TRENDS



Findings:

According to the graphs, targeted identity recruiting consistently declined across all three groups in 2015. We anticipate this decline is due to the increase in our survey participation of industries that do not have comprehensive targeted recruiting strategies. In 2016 we had more healthcare and technology companies participate which influenced the increase in identity recruiting participation across industries. Veterans initiatives have resulted in consistent high level impact for companies in acquiring talent. LGBTQ targeted recruiting in the past 3 years has also shown consistency, we believe the increase in Pride ERGs is supporting this effort.

Implications:

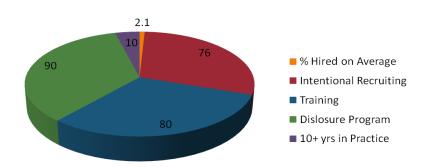
There has been a shift of efforts on these three groups in 2016 based on the current results. This graph illustrates that the marketplace was gaining momentum and, thus projects comfort with identity recruiting across sectors. Anticipate the change in the legislatively climate, particularly around persons with disabilities has caused pause and is requiring companies to sure up their talent acquisition practices.

To Watch:

Companies that expand questionnaires to include targeted identity to promote self identification and full disclosure.

VII. TARGETED RECRUITING: PERSONS WITH DISABILITIES (PWDs)

Impact of Intention



Findings:

The data illustrate the progress being made to build a framework for targeted recruiting. 76 percent of companies have an intentional recruiting strategy for persons with disabilities. 10 percent of companies have had this intentional strategy in place for up to ten years. Companies on average partner with three types of specialized recruiting organizations to attract this targeted group resulting in 2 percent of hires 90 percent of companies have practices in place for employees to self identify but only 10 percent of the companies have special programming to recruit students with disabilities on college campuses.

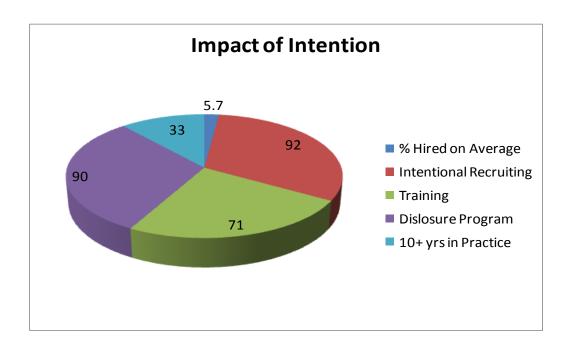
Implications:

The good news is that the marketplace is beginning to understand the holistic approach to attracting persons with disabilities. The opportunity is for employee resource groups to provide insights on how to engage the next generation and retain them.

To Watch:

Innovation among companies that are leveraging their college campus and organizational partnerships to create opportunities, that will fill the pipeline with this untapped group of talented people.

VIII. TARGETED RECRUITING: VETERANS



Findings:

Not surprisingly, the data illustrate that companies have been intentionally identifying veterans for targeted recruiting for more than a decade. 92 percent of companies have intentional recruiting strategies for veterans and 33 percent of companies have been recruiting veterans for at least ten years. With these recruiting efforts 5.7 percent veterans are hired on average. 71 percent of companies have training programs that include and/or focus on veterans. 90 percent of companies are encouraging full disclosure from veterans as well as have implemented one or more veteran initiatives. On average Veterans are 3.5 percent the employee base. Industries that attract veteran talent includes; technology, manufacturing, transportation and utilities.

Implications:

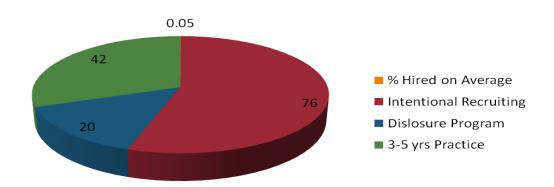
Within the past 3 years the marketplace has increased its efforts and focus on veteran recruiting. Equally important is the work that must be done internally while increasing talent acquisition efforts. It is a business imperative to ensure churn does not increase among this group.

To Watch:

Companies that partner with the U.S. government military branches to attract large numbers of Veterans will be demonstrating extraordinary commitment. Moreover, there is tremendous opportunity for non traditional industries to engage this highly skilled group of professionals.

IX. TARGETED RECRUITING: LGBT INDIVIDUALS

Impact of Intention



Findings:

We are experiencing progress with intentional targeted recruiting efforts among companies. 76 percent of companies have intentional strategies to recruit persons of LGBT identity. Companies have strong organizational relationships that allow them to leverage their relationships for the purpose of recruiting. 42 percent of companies have been engaged for up to three years up by 100 percent since 2014. .5 percent on average are being hired based on companies that track this data. 20 percent of companies have a disclosure program to support self identification in the workplace. And only five percent of the companies have special programming to recruit students with LGBT orientation on college campuses.

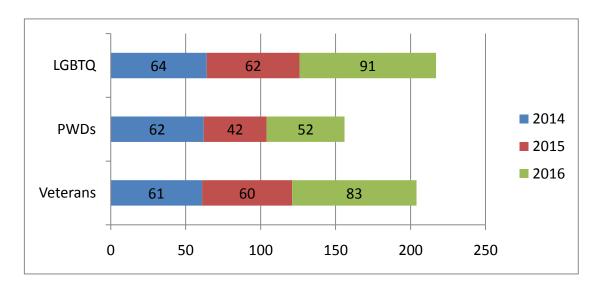
Implications:

If companies are holistically committed to creating inclusive cultures it is a business imperative to engage the LGBTQ community to support their talent acquisition efforts. Moreover, companies need to leverage their LGBTQ employee resource groups more than ever to gain traction.

To Watch:

Nielsen's Diverse Intelligence Series research on LGBTQ consumer spending demonstrated that this group has the largest growth potential. Companies that leverage the business impact of the LGBTQ community will gain a competitive advantage.

X. WORKPLACE INCLUSION - ERG Growth Trends



Findings:

We know that ERGs are a best practice for employee engagement when beginning on the diversity and inclusion journey. The DMBA 2016 Inclusive Leadership Index had an increase of 30 percent new companies. The impact is that most of these companies have not established the identity resource groups, because they implement the ethnic resource groups first. We are reporting that the above data continues to represent positive movement of the engagement of these groups: In 2016 we have seen the growth of targeted ERGs. 52 percent of companies have Persons with Disabilities ERGs; 83 percent of companies have Veteran ERGs and 91 percent of companies have LGBTQ ERGs. The next dimension of ERG participation is that leaders and participants should not only receive career development, but career advancement. 38 percent of companies are promoting ERG participants and leaders. And finally without a doubt, 64 percent of companies confirm the strong contribution to business solutions, specifically from the above groups.

Implications:

It is not enough to have employee resource groups exist for retention and business solutions exclusively; they must now be an integral part of talent management and development ensuring that participants leverage career opportunities and advancement.

To Watch:

Continue to watch the leading companies create intersections among all of these groups and create opportunities for leadership development and advancement.

XI. Perception Gaps

The reality is that some companies and/or some industries have advanced further than others on target identity recruitment and practices for inclusion. This is simply because of the business case. Companies need to go one step further with internal self assessment; disability pipeline development and then, implement the change that is required. This will take time as individuals need to learn to trust their environments.

This gap in perception causes companies to believe that inclusion lies in the structure of employee resource groups. Let's be clear, the fact that companies allow a group of people to have a voice does not mean it is courageous; it is only courageous if change is allowed to foster.

In addition gaps between persons with disabilities, Veterans, and LGBTQ is only in the mind of the employee that has not been exposed to understanding how bias shows up in our daily interactions.

Consider these Factors:

- Persons with Disabilities is the largest minority group on the planet, yet less than 20 percent are employed;
- ❖ 80 percent of high school students with a disability have a goal to attend college, yet 60 percent enroll and only 41 percent graduate;
- College students with disabilities must self identify what they need or they will not get the support they need;
- Companies are celebrating publically their new and exciting commitment to hire Veterans in the workplace; when in fact Veterans have been available for hiring for decades;
- Companies are attempting to practice intentional strategies by targeting their recruiting efforts of persons with disabilities, Veterans and LGBTQ persons, but traction is slow because recruiter training is sporadic thus, leaving recruiters unprepared.
- What is the issue that prevents recruiting teams from developing special programming for college students that will enhance their campus brand for recruiting;
- Why is self identification feared by most employees, if companies are advocating they have trusted workplace environments?
- Impact of only leveraging social media as a hiring source and not a hiring tool is causing a gross negligence in talent acquisition.

The good news is that today companies are becoming more aware and have a real desire to make changes, unfortunately inclusion requires engagement of every individual at every level.

XII. Best Practice Tips for Targeted Identity Recruiting

Align Talent Acquisition Strategy with the Diversity Strategy. To ensure targeted recruiting efforts are effective and impactful; they must be aligned. For example, use the influence of the diversity office to deepen relationships that will advance your recruiting position.

Establish Comprehensive Recruiters Training. Do not just assign recruiters to do diversity recruiting, but develop the game plan to enhance their ability to identify the best talent. Allow recruiters to be exposed to the multidimensional learning platforms that include: awareness, cultural competency and unconscious bias.

Leverage Employee Resource Groups. It has been demonstrated many times over employee resource groups enhance retention results and create employee loyalty. Ensure that ERG participation is part of the career development path for every one that participates, and not just leaders. Identify the skill and experience achieved, since the average commitment for participation is 18 months to two years.

Leverage Community Programs for Recruiting. Leading practice companies leverage their existing engagement in a large community platform for one or more of these groups that broadens their brand awareness for hiring.

Align specific recruiting goals with Business Units. Consider establishing a rating or performance scale that both HR professionals and business managers can identify progress of targeted recruiting. Establish metrics that both business units can be accountable to, that make sense for their area of responsibility. Consider developing regional and/or business unit focus.

Develop targeted Campus Strategy or Plan. Most, if not all companies have a university/college campus recruiting program. Use existing relationships with universities and align with their ERGs to tap into their student population to support engagement in special programming for the purpose of targeted recruiting.

Engage Employee Resource Groups to support recruitment. ERGs have become one of the most consistent and highly motivated ways to engage in problem solving for the business. Some of the most innovative ideas have come from these groups and will continue to do so. Establish a focus group that is representative of each ERG to work on how to increase representation at the management levels for persons with disabilities, Veterans and LGBT individuals.

XIII. About the Author

Pam McElvane, MBA, MA, CEO, P & L Group, Ltd./Founder DMBA Inclusive Leadership Index

Pam's business experience in the diversity space spans more than 20 years. As publisher of Diversity MBA Magazine, Diversity Business Review Journal (DBR, *Inclusive Leadership Index (ILI)* and the White Paper Series, she has become one of the leading experts and resources on how companies recruit, develop, retain, and advance women and diverse talent.

Pam has spent the past 20 years as an entrepreneur building a business that recognizes and develops women and diverse talent on a national scale. Diversity MBA is a national recognized brand that ranks Fortune 500 companies for the Best Places to Work; recognized Top 100 executive leaders through events and customized platforms. Diversity MBA provides services to more than 100 companies and Universities on a national scale. Pam has her MBA in Finance and International Marketing, and MA in Public Policy, from University of California, at Berkeley. She has several executive certifications and a host of awards recognizing her contributions to leadership. She serves on five national community boards, and is a loving wife and supportive mother of three young men.

Acknowledgements:

"Deep and much gratitude to my colleagues who have supported me in achieving this level of thought leadership to share with my business and professional community. I would like to offer a special thank you to my colleagues for providing their expertise and insights; Nadine Vogel, CEO of Springboard Consulting, LLC", and Dr Patricia Arredondo, Special Advisor, Chicago School of Professional Psychology, Chicago Campus.

" One dream I have is that we all can be seen as equal regardless of our ability and identity." Pam

