Diversity Impact in Highly Competitive Industries:

*Inclusion Beyond the Check Box for
Energy, Legal and Professional Services Industries*

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WHITE PAPER
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ABSTRACT

The goal of this white paper is to evolve the existing approach to recruitment and retention of diverse individuals in highly competitive industries from a solely metrics-focused tactic, to a leadership and employee engagement-focused *strategy* that achieves real business results.

Current State of Leadership Talent Management

Cultivating the next generation of leadership talent has never been more important in highly competitive industries including Energy and Utilities, Legal and Professional Services, as well as in corporate America as a whole. Approximately 10,000 baby boomers in the United States will turn 65 every day until about the year 2030, according to the U.S. Census Bureau. The impact of the Great Recession has meant that many older workers will remain in their roles for a longer stretch than previously thought, but this only delays an inevitable mass exit in the coming years.

Exacerbating the institutional knowledge drain is an influx of younger employees who expect a more flexible culture. They want to work when and where they please. Add to that the somewhat diffuse corporate cultures that have resulted from heavy M&A activity in sectors such as Energy and Utilities, Legal and Professional Services over the past 15 years, and organizations are often less than laser focused on aligning hiring strategies, much less diversity solutions, with business goals. But diversity itself is a largely untapped resource for addressing this growing talent drain.

> *"Team empowerment has been essential to our people engagement strategies,"* commented Elaine Bittner, Senior Vice President for Strategic Development at Chesapeake Utilities. *"The first 100 days of a new employee's experience are critical to promote high engagement and assimilation into our company's visions, mission and goals so that every employee can share in the creation of success."*

CHESAPEAKE UTILITIES CORPORATION

Diversity as a Business Imperative

Diversity is not only an area of greater focus for regulators and shareholder groups. A growing body of research supports the importance of diversity in corporate strategy, recognizing the opportunities and advantages that diverse companies may have over more homogeneous workplaces. How can greater diversity engagement solve the pressing leadership skills gap in highly competitive vertical industries? Companies that embrace diversity as an employee engagement strategy, instead of checking a box, take a systemic approach to employee and leadership engagement that cultivates a shared values platform, and an operational structure that moves employee and employer through the evolution of roles intentionally. Each leans into one another for support, training, energy and success. The below infographic exhibits the three stages of engagement between

employee and employer and is a representative approach to aligning diversity engagement with overarching business objectives.

Fig. 1: Employee Engagement Drives Performance in Highly Competitive Industries When Strategically Aligned With Business Goals. Source: T.H Easter Consulting, 2014.

Shared Investment: Early Stage Engagement

 When a new employee joins an organization, they usually are provided the technology and operational basics they need: a key, a desk, a laptop, log-in information, an email address, and a phone. Though essential, these tools don't equip new employees with the more intangible information they need in order to connect to the organization and succeed by integrating the organization's values into their performance. During onboarding, it's important to address critical questions such as: What is the culture like? What is supported and what is frowned upon? What is valued and how is behavior that aligns with those values cultivated and rewarded? This sets the stage for discussing each employee's expected performance and how that performance supports the business strategy and value structure.

At this stage of early engagement, the employer must *lean toward* the employee to offer clear guidance and set expectations around optimal use of time, expected work ethic, and the organization's values, vision and mission. The onus is on the employer to interpret priorities, practices, products, communications, and work styles through the lens of those values. Additionally, the employer should ask the employee about work style, interest in community outreach and volunteerism, what they do well, and areas where they believe they could use support.

Further, onboarding needs to address how the values espoused are manifested in the organization daily, supported by very tangible examples that the employee can relate to. For instance, a value statement or ethos of 'young, hungry and scrappy' would be enacted very differently than one espousing a culture that is 'sophisticated, experienced and strategic.' Use real life examples to inculcate values-aligned actions in your new employee.

The employee must invest blind trust in the employment proposition: that the organization (vision, mission and values), the job opportunity, as well as the associated performance expectations, are believable, achievable, and valuable. While this process progresses, the new employee must embrace these fundamentals, all while resisting the natural urge to lean away from the organization.

Shared Responsibility: *Mid-Career Engagement*

At the beginning of the mid-career phase, the employer weans the employee from the initial guidance-heavy approach by providing systems for work and communication approaches, business processes, and a clear path to achieve outcomes that empower the employee's personal performance and development. On the continuum of engagement, the responsibility for becoming part of the culture gradually shifts toward the employee. At this point, employees should possess a very clear understanding of what is valued within the organization, have a behavioral context for demonstrating buy-in and team affiliation, and understand how their individual priorities align with those values. They should know this for two reasons:

1. They have seen the values in action from the leadership, i.e., the leadership is walking the talk.
2. They have lived the values in action; and conversely, have learned what it means *not* to align with those values in their own work.

The organization's bar has been set, and the employee should now take on more responsibility for figuring out what to do in order to be successful, and more importantly, *how* to do it in order to be recognized and rewarded. The organization's authentic commitment to the employee's growth has been displayed at every touch point, both internally and externally.

Thus, once they have seen the above-referenced behavior continually modeled and reinforced, the employee assumes a level of responsibility for alignment with the organization expressed through the employee's intellectual and emotional security, work performance and affiliations. The employee is provided with opportunities to experiment to get the work done right and determine how that works for the employer. There should be a shared flexibility and openness to performance feedback, while the employee eagerly moves toward the organization's requirements. Finally, there should be a trust bond that allows the employee to take measured risks to stretch to achieve performance goals.

Shared Accountability: *Senior Level Engagement*

Organizational opportunities will begin to present themselves to those employees ready to ascend to more senior level roles, but it is also the case that not all employees will have a place in the executive suite. Those who are highly engaged will be best positioned to ascend to these **few coveted roles**. By this point, the employee should have the requisite professional skills (both intellectual and emotional quotients), should "get it" when it comes to the formal and informal systems that make up the organization, and have developed strong relationships across various parts of the organization. The employer will have provided a mentor or sponsor to help further facilitate growth and goal achievement that is in alignment with company values and strategy. During this phase, the employee continues to cultivate a keener understanding of the business's revenue drivers, a working knowledge of the interdisciplinary functions of the business, and most importantly, the ability to inspire people to achieve the business's goals by leveraging and supporting each individual's vision for personal success.

This is the critical point where the employer has invested significantly in the employee and gotten to the point where the employee's performance is at a high level; now the employer begins to recoup that investment. A shared values platform has been cultivated and the employer understands what type of performance management the employee needs to thrive. The employee is heavily invested in the company, its values, and has begun to equate individual success with the success of the company as a whole.

The pendulum swings heavily; it is now the employee's turn to *lean toward* the organization heavily and continually add value at a strategic level. The employee puts arms around the organization, puts an individual touch on the culture, and builds legacy projects that enhance contributions to the shared values platform that has been cultivated over the years. The employee is invested heavily in creating new divisions, new companies, new networks, new products, and new revenue streams, all while living and breathing the culture and its values in order to cultivate up and coming talent.

Diversity Means Engaging People

Even the very best diversity programs have their limitations, as evidenced by the fact that they are just that: diversity programs. Quarantined from the rest of the operational and strategic focus of the company, diversity programs generally are limited to concentrating on diverse individuals as somehow "outside" the very heart of what makes companies succeed: its people. Engaging people, not just people of color or of a certain age or sexual orientation, lies at the heart of successful strategic diversity programs, especially in highly competitive industries where cultures have become diffuse and intergenerational workplace expectations are shifting. Here are some examples of diversity in action:

1. Sustainable growth in diverse professionals in leadership and executive positions during employee tenure.
2. Continued presence of diverse professionals in training and team-building activities, especially those activities other than diversity and inclusion-focused programming.
3. Increased visibility of executive team cultivating next level management among diverse ranks.
4. Recognition awarded to diverse professionals for achieving company goals.
5. Expanded communication of company strategic goals among all levels of the organization.
6. Sustained growth in recruiting efforts that have resulted in greater diversity at all workforce levels.
7. More open forms of communications, e.g. town hall formats and team building activities among all levels of the organization.

Growing the Supply of Diversity in Highly Competitive Industries

The time is ripe for the Energy and Utilities, Legal and Professional Services sectors to reap the benefits of moving beyond simply checking the diversity box. Great employee and leadership engagement practices will raise *all* of the boats, not just the ones that look different, speak differently, or have seen more wear and tear. By layering diversity into the overall strategic planning for the organization, leadership commits to achieving successful business outcomes that spring from a genuine commitment to a culture of inclusion. The best talent in today's changing workforce -- from highly skilled engineers, scientists, project managers and technicians, to analysts, legal counsel, and finance and marketing professionals -- demand it, and these industries need to be positioned to supply it.

About T.H. Easter Consulting

At T.H. Easter Consulting (www.THEasterConsulting.com), we deliver innovative, informed solutions to the toughest human resource management challenges. Our focus is on creating enduring outcomes both for individuals and for an entire organization's culture through employee engagement, leadership development, executive recruitment and coaching, diversity management, and HR strategy & tactics. As former leaders in professional services firms, commercial banks and the White House, we know that life inside the executive suite requires decisive action that factors in the political, financial, legal, and operational stakes of human resources decisions. More than just pretty reports, we help organizations cultivate exceptional talent through highly effective leadership engagement and development, we deliver field-tested strategies, and we implement to get results.

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