THE STATE OF DIVERSITY AND INCLUSION ACCORDING TO CEOS

What CEOs are Thinking and Doing About Diversity and Inclusion

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THE
moxie
EXCHANGE

EXECUTIVE SUMMARY

Organizations across the country are at an inflection point around talent, diversity and inclusion. High profile leaders have been fired for allowing, or creating, hostile work environments. #TimesUp events are making the news regularly. Boards and consumers are demanding radical transparency; millennial and other emerging talent pools are seeking companies in line with their values. Proactive organizations are leveraging this rare opportunity to rethink their approach to leadership and inclusion.

CEOs have a unique lens through which they view the issue and powerful leverage to drive impactful change. They are also on the front line of accountability as investors, employees and customers are demanding answers about what changes are being made to increase diversity and inclusion.

We wanted to understand the state of inclusion according to CEOs. Do they believe the data and see the business case for diversity? Have they taken action as a result of the new focus on the diversity of their employees and the climate at their companies? What changes have they made, if any? In short, how do they view their role and what have they done as leaders to drive positive change. We conducted a brief, anonymous CEO survey to answer these questions and gain insight into the state of diversity and inclusion according to CEOs.

OUR FINDINGS

1. **There is a strategic knowing/doing gap.** Overwhelmingly CEOs believe the data and see the business case for diversity and inclusion. Yet there is dissonance between believing the data driven business case and having a strategic focus on diversity and inclusion and leadership accountability to drive those results.

2. **Beliefs are not being translated into concrete actions.** CEOs think they are doing a better job than they actually are at creating inclusion. Respondents reported that they are doing enough to create an inclusive environment, yet also report that they have not provided adequate tools and training to address diversity and inclusion issues.

3. **Response and activities have been short-term and reactive in nature.** Initial actions taken fall in the reactive, legal protection realm. The most common action are review of policy and legally mandated training. Far fewer CEOs report taking the types of action that will drive diversity and inclusion in their organization's talent practices and culture.

4. **Gender matters.** There are marked differences between the beliefs and behaviors of male and female CEOs as they relate to diversity and inclusion.
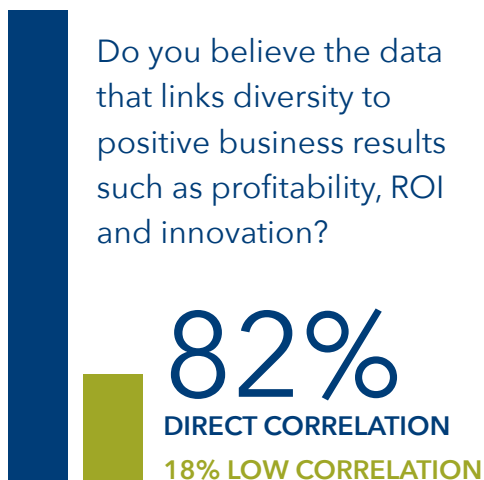
METHODOLOGY

To conduct the survey, we reached out to CEO membership organizations and identified CEOs in a variety of industries and requested their participation. The survey was open for 8 weeks. 80 CEOs completed the survey. 65% of the respondents identified as male, 35% as female. All responses were anonymous.

THE FINDINGS

1. THERE IS A STRATEGIC KNOWING/DOING GAP

The overwhelming majority of CEOs understand the business case for diversity and inclusion, and believe it is a strategic advantage and strategic imperative to have a diverse workforce and inclusive culture.
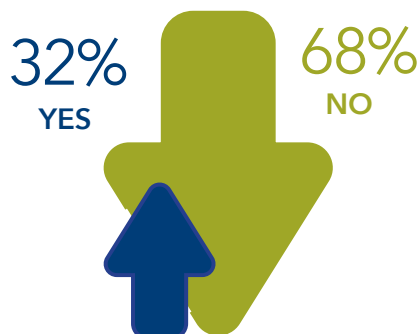
Do you believe the data that links diversity to positive business results such as profitability, ROI and innovation?

82%
DIRECT CORRELATION

18% LOW CORRELATION

83% of respondents selected this statement as best expressing how they feel about having a diverse workforce and inclusive culture:

"It's something that I fully support and believe is a strategic imperative and strategic advantage"

Yet, while they understand the business case and feel diversity and inclusion is a strategic advantage, it is not identified as a strategic priority and no individual leader is accountable for driving results.

Is increasing diversity & inclusion in your organization a stated top 5 strategic priority?

32% YES

68% NO

Is increasing diversity & inclusion a performance objective for someone on your executive team?

31% YES

69% NO
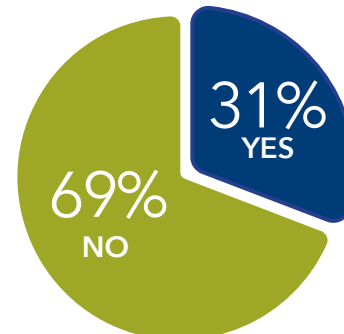
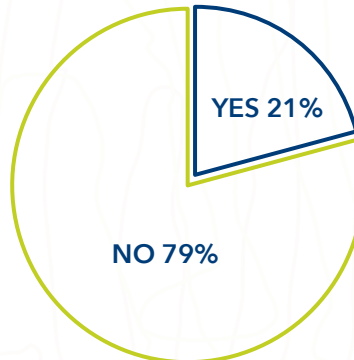## 2. BELIEFS ARE NOT BEING TRANSLATED INTO CONCRETE ACTIONS

A slight majority of CEOs believe they are doing enough to drive diversity and inclusion at their companies. However, there is more confidence that they are doing everything they can than actual activities implemented to support that belief.

There is more confidence that they are doing everything they can than actual activities implemented to support that belief.
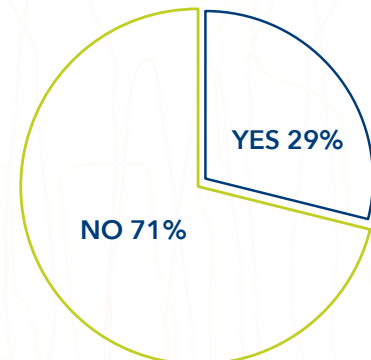
Are you doing enough to create an inclusive environment for your employees?
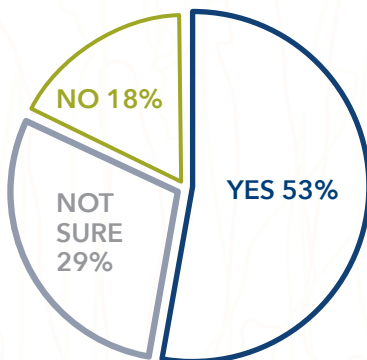
NO 18%

NOT SURE 29%

YES 53%

Have you provided your employees a program and resources to manage diversity and inclusion challenges?

YES 21%

NO 79%

Does your organization have plans to provide unconscious bias awareness and prevention programs in the next year?

YES 29%

NO 71%

There are several possible explanations for this 'hope as a strategy' disconnect. CEOs may believe it is easier to create an inclusive culture than it actually is, that employees will innately know how to handle challenges and behave inclusively, or that their own beliefs as CEO about the importance of diversity and inclusion translate into actual results.

3. RESPONSE AND ACTIVITIES HAVE BEEN SHORT-TERM AND REACTIVE IN NATURE

The response to recent high-profile diversity and inclusion challenges has been skewed towards making sure organizations are legally protected versus longer-term culture changing, proactive measures. 15% of companies, 1 in 6, have taken no action at all.

Respondents reported taking these actions due to recent diversity & inclusion incidents in the news:

REACTIVE / LEGALLY PROTECTIVE

Policy Review **34%**

Board / Leadership Discussions & Communication to Employees **34%**

Sexual Harassment Training **31%**

PROACTIVE / STRATEGIC

Conducted/Conducting an internal audit of the company's work environment **16%**

Unconscious Bias Training **16%**

Hired Diversity & Inclusion Staff **15%**

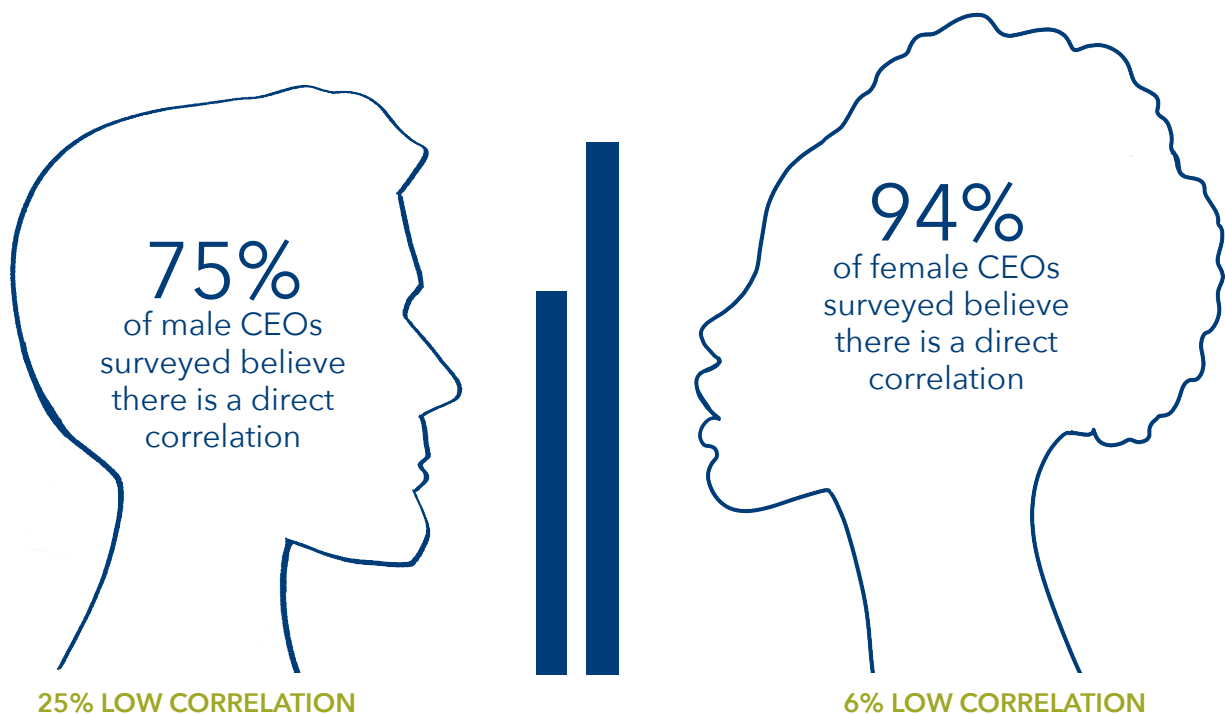Added Employee Resource Groups **8%**

NOTHING

15%

It is not surprising that the initial actions reported by CEOs have been protective in nature. Reactive activities are commonly known, quick to execute and show internally and externally that action has been taken. However, they are not likely to change the diversity within an organization or drive an inclusive culture. Ultimately, organizations remain at risk when their focus is to talk about the issue and legally protect themselves versus taking long-term actions which will build diversity and inclusion.

4. GENDER MATTERS

Female CEOs believe in the business case and fully support diversity and inclusion as a strategic advantage by a significant margin.

Do you believe the data that links diversity to positive business results such as profitability, ROI and innovation?

75%
of male CEOs surveyed believe there is a direct correlation

94%
of female CEOs surveyed believe there is a direct correlation

**25% LOW CORRELATION**

6% LOW CORRELATION

89% of **FEMALE CEO**s selected this statement as best expressing how they feel about having a diverse workforce and inclusive culture:

"It's something that I fully support and believe is a strategic imperative and strategic advantage"

67% of **MALE CEO**s selected this statement

Female CEOs are also more likely to have increasing diversity and inclusion as a strategic priority and have someone accountable for driving results. For male CEOs there is a greater dissonance between their belief that diversity drives good business results and their strategic prioritization and accountability to increase diversity and inclusion in their organizations.

Is increasing diversity & inclusion in your organization a stated top 5 strategic priority?

YES 19%

NO 81%

MALE CEO:

NO 42%   YES 58%
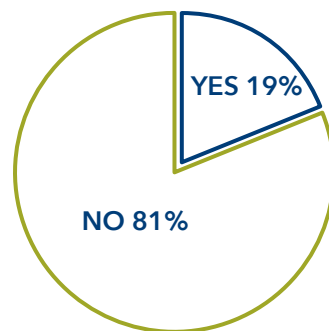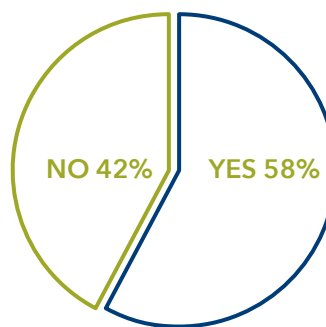
FEMALE CEO:

Is increasing diversity & inclusion a performance objective for someone on your executive team?
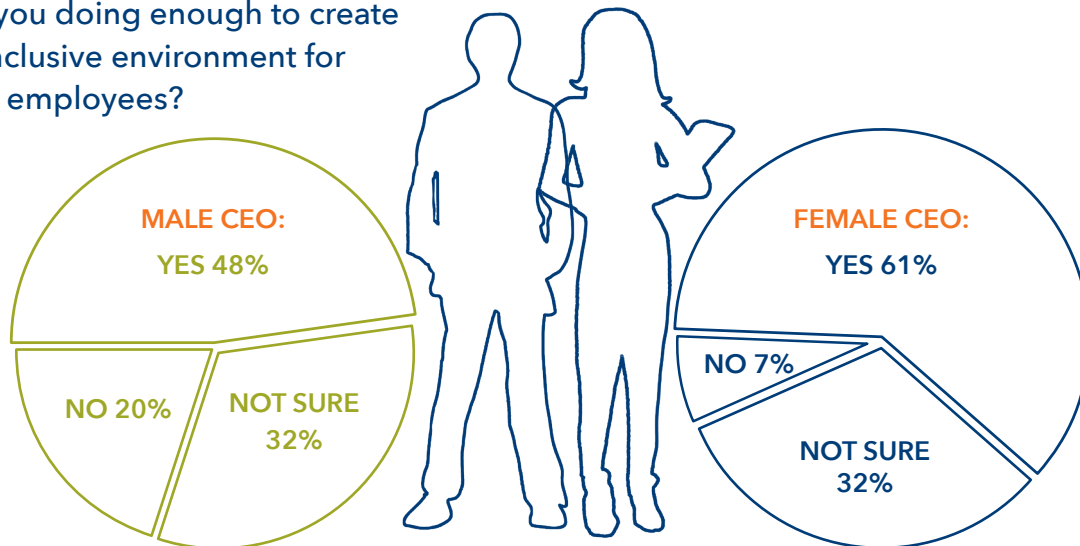
MALE CEO: YES 21%   NO 79%

FEMALE CEO: YES 50%   NO 50%

Female CEOs feel far more confident that they are doing enough to create an inclusive environment in their companies.

Are you doing enough to create an inclusive environment for your employees?

MALE CEO:
YES 48%

NO 20%

NOT SURE
32%

FEMALE CEO:
YES 61%

NO 7%

NOT SURE
32%

They may have reason to feel that way; female CEOs are four times more likely to have provided programs and resources to manage diversity & inclusion challenges, and three times as many report plans for unconscious bias training in the next year.

- Have you provided your employees a program and resources to manage diversity and inclusion challenges?

MALE CEO: **YES 10%**   **NO 90%**

FEMALE CEO: **YES 43%**   **NO 57%**

- Does your organization have plans to provide unconscious bias awareness and prevention programs in the next year?

MALE CEO: **YES 15%**   **NO 85%**

FEMALE CEO: **YES 43%**   **NO 57%**

A driver of the differences in the beliefs and behaviors of male and female CEOs may be that female CEOs have experienced firsthand the underlying dynamics and barriers to building diversity and inclusion.

CONCLUSION

This survey sheds light on how CEOs feel about diversity and inclusion and what they have chosen to do about it in their organizations. There is good news in the survey results; CEOs overwhelmingly believe diversity and inclusion is an important business driver and express a readiness to increase their organization's diversity and inclusion. The challenges uncovered include how to bridge the knowing/doing gap, align beliefs and actions, and take a long-term strategic approach to increasing diversity and inclusion. In short, how to move from believing in being diverse and inclusive to becoming diverse and inclusive.

In response to the survey results, The Moxie Exchange will release the Everyday Inclusion Roadmap™ which will outline concrete actions and provide tools CEOs, organizations and individuals can use to increase diversity and inclusion to drive long-term business performance.
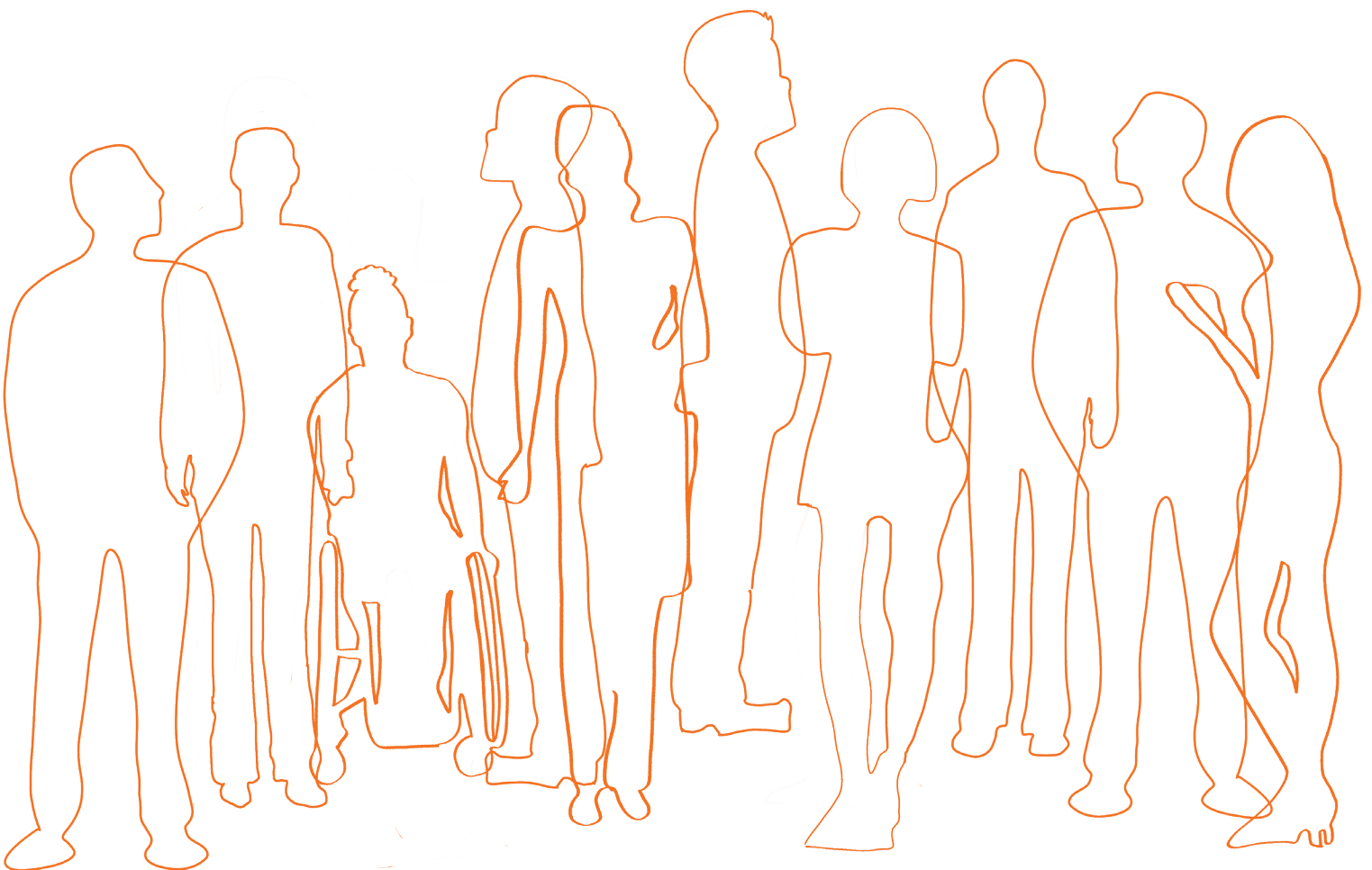
ABOUT THE MOXIE EXCHANGE

The Moxie Exchange is a training and mentoring organization committed to helping businesses develop talent and create inclusive workplaces. For over 10 years companies around the world have trusted Moxie to help them grow talent, interrupt bias and unleash human potential. Moxie meets companies and learners where they are with on-the-go digital, scalable, micro-learning courses and unconscious bias programs.

Email info@moxieexchange.com to receive your copy of the Everyday Inclusion Roadmap™ or to learn more.