



## Best Practice Guide

# Engaging and Retaining a Diverse Workforce

Creating an inclusive workplace is key to engaging and retaining diverse talent and boosting the productivity of your team.

This guide will break down some of the core elements of an inclusive work environment and provide guidance on how to create a welcoming workplace by showing you how to:

1. Build inclusion into your organizational structure and culture
2. Use professional development as means to retain staff and promote inclusion
3. Offer compensation and benefits packages that suit the needs of your workforce
4. Maintain accountability through monitoring and transparency

# What is Inclusion and Why Does it Matter?

It's a simple truth: it costs more to replace a new employee than to keep one. With that in mind, any successful diversity and inclusion initiative, both for efficiency as well as for impact, needs to focus as much on ensuring that your diverse workforce is engaged and thriving as it does on recruitment.

Inclusion, and not simply diversity, is the real measure of success.

Without a foundation of inclusion, employees from underrepresented populations may be...

- Unable to perform at their highest level<sup>1</sup>
- Unsatisfied with their job, and
- More likely to leave your company

In this guide, inclusion in the workplace will be discussed across four dimensions: organizational structures, culture, compensation and benefits packages, and work environment.

*Reflection Question: How would you define inclusion for your company?*

## Inclusion

(noun)

Inclusion is...

- Seeking out, identifying, understanding, and removing barriers to full participation and belonging;
- Intentionally including additional difference in a group or process;<sup>2</sup> and
- Encouraging high levels of both individuality and belonging.<sup>3</sup>

*Note: Definitions of inclusion can vary! It may be useful to go through an exercise to define inclusion for your own specific circumstances with your workforce or relevant committee.*

## Organizational Structure and Culture

The organizational structure of your company determines who your employees interact with, what types of initiatives and events they are aware of, and who is in positions to make decisions—all of which have an important bearing on their sense of inclusion. Whether these aspects are designed to be top-down or bottom-up, it is important to:

- Ensure that company leaders themselves represent and champion inclusion in their decision-making and interactions with employees;
- Be conscious of how teams and management are structured; and
- Proactively cultivate an inclusive and supportive culture

### Leadership

Executives and other leaders don't just guide the decision-making and strategy; they also (consciously or unconsciously) lead by example. In addition to developing diverse leadership teams, the following suggestions provide a check-list for current leaders to be conscious of as they think about their own role in creating an inclusive workplace.



*“ In order to foster diverse work environments, leaders need a combination of skills that include self-awareness of their own biases, the commitment to set standards, and the ability to skillfully manage conflict. The self-awareness to identify their own unconscious biases, combined with the willingness to challenge those biases, provides the foundation to lead by example.”<sup>4</sup>*

**VISION**

- Gerry Valentine, President and Founder at [Vision Executive Coaching](#) (Certified B Corp since 2014)

## Leaders should consider how they can:

- Be a proactive champion for company diversity and drive initiatives
- Demonstrate a collaborative leadership style
- Use merit-based decision making
- Seek out and listen to employee experiences
- Create a sense of collective identity and shared goals
- Continuously improve their own cultural competency and experience
- Actively and effectively manage conflict<sup>5</sup>

If you aren't an organizational leader, how can you engage your senior leaders and managers in meaningful inclusion and diversity work? We recommend...

- Having an annual diversity & inclusion training exclusively for senior leadership and management. Boost enthusiasm and engagement by gathering input from participants ahead of time on the focus and structure of the training.<sup>6</sup>
- Encouraging participation by senior leadership and management in other inclusion-related programs such as all-staff trainings, college recruiting, mentoring programs, and task forces.<sup>7</sup>
- Framing their active participation as a professional growth and business opportunity, not a chore.

For more information, see the “Engaging Essential Leadership” section of Guide 1: The Basics of Diversity & Inclusion in Business.

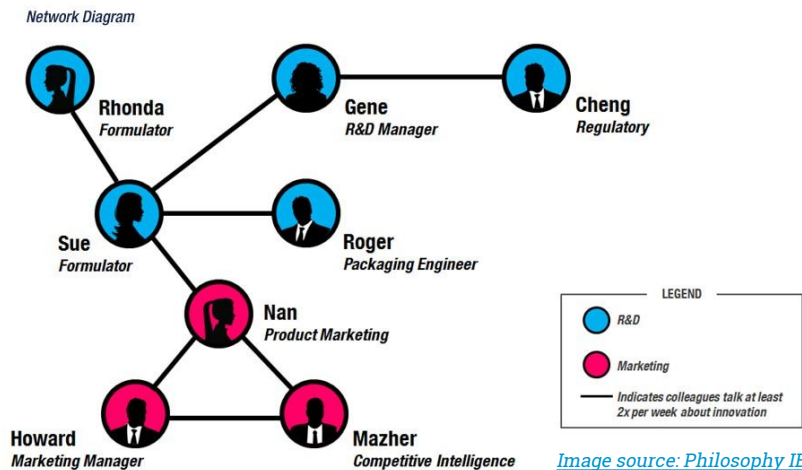
*Reflection Question: How can your leadership effectively lead by example when it comes to the inclusivity of the organization?*

## Organizational Network and Structure

In addition to leadership commitment and leading by example, the underlying structures and teams that form your organization can also influence individual's experiences and perceptions of inclusivity. Consider reviewing your current org chart to analyze trends in demographic information, as well as conducting a mapping of your "organizational social network."

Ask yourself...

- Is your organizational structure flexible enough to celebrate difference and incorporate feedback?
- Are there certain areas, departments, or teams that vary in their inclusivity and connectedness to the rest of the organization?
- Does your company truly embody the principle of equal opportunity?



Use these questions, and your organizational network, to gain a more in-depth understanding of the actual day-to-day experiences of employees and how your internal network may influence satisfaction and opportunity for employees with different backgrounds and experiences.

### Activity: Mapping Your Organizational Social Network

*Note - this activity should be completed by Human Resources, your inclusion task force/committee, or your leadership team, as the results may contain sensitive information. To respect people's anonymity, do not share the results of this activity with all employees. Instead, use the results to identify D&I priorities and to inform future efforts and initiatives.*

Begin by asking your employees the following question (either in a standalone survey or in your regular employee engagement survey): "Who helps you to be more successful at work by providing you with ideas, inspiration, and information?"<sup>8</sup>

Collect all the responses and create a visual map of the social connections within your team. To make data collection and visualization easier, consider using an online tool such as [Socilyzer](#). Then analyze your organizational social network. Who has the most connections? Who has the least connections? Identify trends by analyzing people's connections against job role data and, if possible, demographic data. Brainstorm practices, programs, or policies to facilitate relationship-building for those team members on the outskirts of your organizational social network.

## Here are some ways that you can build inclusion into your organizational structure:

- ❑ **Create self-managed teams.** Self-managed teams allow people in different roles and functions to work together on projects as equals. Such teams increase contact among diverse types of people, because specialties within firms are still largely divided along racial, ethnic, and gender lines.<sup>9</sup>
- ❑ **Develop cross-training programs.** Cross-training (e.g., rotating management trainees through different departments) encourages people to try their hand at various jobs and deepen their understanding of the whole organization. It creates professional development opportunities and exposes both department heads and trainees to a wider variety of people.<sup>10</sup>
- ❑ **Encourage cross-team interaction.** Even if cross training or self-managed teams are not feasible, other opportunities, like staff meetings, cross team committees, or affinity groups can create opportunities for broader engagement between employees of different backgrounds, perspectives, and demographics.
- ❑ **Be transparent.** Making employees aware of how decisions are made and by whom, particularly coupled with opportunities for them to ask questions and share feedback, can increase their sense of inclusion.
- ❑ **Empower employees.** Beyond transparency and feedback, consider including staff in decision-making processes.
- ❑ **Have clear processes to address grievances and complaints,** ideally offering multiple pathways for an individual to choose. Make sure employees are aware of and comfortable with the process.<sup>12</sup> See the next page for a sample Complaint Procedure.

### Why is Cross-Team Interaction Important for Inclusion?

Research indicates that diversity programs, particularly those designed around compliance, are unsuccessful in changing the underlying and frequently subconscious perceptions of individual workers and managers.

Giving individuals (both managers and non-managers) the opportunity to engage with one another in a professional setting, frequently without a specific framing towards inclusion, is more successful in producing inclusive outcomes that last in the long term.<sup>11</sup>



*“ HEX provides job rotation to help employees explore their potential. Also, when employees are exposed to different jobs or assigned new tasks, they try to give their best while effectively dealing with the challenges coming their way.”*

- Chien Chung Ping, Marketing Specialist at Hex  
(Certified B Corp since 2016)



*“ We have annual company retreats where employees are fully engaged in helping to determine and plan key components of our business strategy.”*



- Kristy Wallace, President at Ellevate Network  
(Certified B Corp since 2016)

## Sample Complaint Procedure

Report the incident to **your manager** or the **HR Business Partner** (see key contact list Exhibit A). If you prefer not to go to either of these individuals with your complaint, you may also report the incident to either the **COO, any officer** of [Company Name], or the **designated board member** (see Exhibit A for contact information).

[Exhibit A] also provides a list of **ombudspeople** available to assist with your problem if the above reporting process is insufficient. All of these representatives can provide confidential counseling to assist you with the process. Reports made as specified will be promptly investigated and disciplinary action will be taken as appropriate. Once any corrective actions are taken to address the issue, the reporting employee will be notified in confidence of the completion of the investigation and outcomes. [Company Name] expects employees to make any complaints on a timely basis to enable prompt investigation and corrective action as warranted.

### Reflection Questions:

- In what ways might your current organizational structure create, or inhibit, inclusivity in your workplace?
- Does your company currently have mechanisms in place to share information about the company and solicit feedback and questions from employees? How might the company improve opportunities for employees to be more comfortable providing feedback and being involved in decision-making?

## Workplace Culture

“Culture eats strategy for breakfast.” In addition to the organizational structures and decision-making processes of the company, retention and engagement can be just as influenced by more intangible aspects of a company and its work environment, which can place added pressure on employees from underrepresented groups and make them feel isolated.

Those issues don’t need to stay intangible; the culture of the company can also be actively managed. One place to start is to *define* your company culture. This will allow you to accurately represent your workplace to prospective employees, identify gaps between the culture you want and the current reality for your team, and preserve the strengths of culture as the organization grows or changes.

## Team Activity: Defining Your Company Culture

Duration: 30-60 minutes

Resources: facilitator, pens, paper, whiteboard, and whiteboard markers

Objectives:

1. To identify differences and gaps in how your current company culture is perceived by different staff members.
2. To define the ideal culture that the company wishes to cultivate.

*Note - this activity could be conducted with a management team or your entire staff.. Be sure to consider the demographics of participants and potential gaps in perspective. If the exercise is with a select group, consider also conducting a survey for your entire staff.*

Split into small groups (3-5) and have the groups come up with a few adjectives (no more than five) that are used to describe the current culture of the company. (Entrepreneurial, Collaborative, etc.) Have them discuss the potential advantages and disadvantages that those adjectives cause for the company, both for personal satisfaction as well as achieving success for the company.

Have the groups share with one another and highlight any observations the group made. Was there consensus within groups and across groups on the adjectives, or were there disagreements? If time permits, discuss the ideal attributes of the company culture.

When considering how to build inclusivity into your company culture, there are varying degrees of formality you can explore, depending on your overall approach and the size of your company.

Informally, companies can provide opportunities for employees to bring their own personal interests into the workplace. This can be relatively simple, such as having employees share information about their recent travel or personal accomplishment with other staff members.



*“ We have created an inclusive culture that values and celebrates the input of each team member. We communicate this through the equal celebration of personal and professional achievements and commiseration and support with challenges. Each year, through spirit week and quarterly retreats, we reconnect with each other to be transparent around challenges and achievements.”*



- Patricia Malone, Director of Talent at [Charter School Business Management](#)  
(Certified B Corp since 2013)

To go a step further, companies can consider allowing or forming Employee Resource Groups or Affinity groups. While frequently formed around a specific identity (Latin American employees, working mothers, veterans), the less formal affinity groups could even be formed around interests or hobbies, with all groups available to anyone interested in participating..

## These groups can:

1. Serve as a networking and mentoring resource for self-identifying groups of employees
2. Assist companies to successfully recruit, onboard, engage, develop, and retain diverse talent
3. Enhance idea generation and innovation
4. Provide new business development opportunities and valuable insight into particular customer segments<sup>13</sup>
5. Send a clear message that your company celebrates, rather than just tolerates, diversity<sup>14</sup>

## Employee Resource Groups (ERGs)

(noun) [Source](#)

Voluntary, employee-led groups that serve as a resource for members and organizations by fostering diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives.<sup>15</sup>

## Affinity Groups

(noun) [Source](#)

Groups of employees who have a common interest or characteristic. While some definitions consider ERGs and Affinity Groups to be the same, affinity groups can also be less resource-intensive and designed for smaller organizations.<sup>16</sup>

## To cultivate an effective network of ERGs or affinity groups within your company:

- ❑ Consider conducting surveys of employees to gauge their interest in specific groups
- ❑ Be sure the groups are employee-led and -initiated.
- ❑ Align the ERGs' goals and missions with the overall goals of your company (e.g., to ensure the productivity, profitability, and safety of the workplace to the betterment of the business as a whole and for every person who works there).<sup>17</sup>
- ❑ Encourage participation in ERGs by employees at every level of your company, from entry-level to senior management.
- ❑ Make it clear that group membership is open to all employees, which optimizes inclusivity and complies with anti-discrimination policies and applicable laws;
- ❑ Provide support as you can (e.g., meeting space, refreshments, administrative support, etc.);
- ❑ Encourage ERGs to collaborate with one another, as well as with external groups; and
- ❑ Invite ERGs to present to the rest of the team on topics of interest.



**Why Should ERGs Partner With External Organizations?** Partnerships can strengthen relationships with organizations that are also useful for future recruitment diverse talent in the future. It also provides additional market insights for the company and creates opportunities for ERG members to develop their own leadership skills.

For more information on recruiting, see our “Recruiting a Diverse Workforce” Best Practice Guide.

Of course, the creation of ERGs and even affinity groups are limited to companies of a large enough size and with the necessary resources. The opportunities and benefits of these groups, however, can produce valuable insights for companies of all sizes, including the value of celebrating employees’ individuality, the importance of employees having strong personal connections in their workplace, and opportunities to create stronger partnerships with external organizations that are working on diversity and inclusion related topics.

For some companies, these same benefits could be reached through a single diversity committee, or an entirely different initiative. The key is to find what works for your company, your strategic goals, and your unique workforce.



*“We initiated a ‘Culture Bosses’ program, where each member of our small team takes leadership on a certain aspect of company culture. For example, we have a Social Boss who organizes our monthly potluck lunches, a Sporty Social Boss who organizes our bike-to-work days and company sports events, an Office Boss, a Health and Wellness Boss, and so on. It has been a great way for us to engage all of our employees in creating and maintaining an inclusive company culture.”*



- Sarah White, COO at [Fairware](https://www.fairware.com) (Certified B Corp since 2010)

### Reflection Questions:

- How would you define your company culture?
- Does your company currently provide opportunities for employees to “bring their whole selves” to work? In what ways could the company do that?
- How might the benefits of forming ERGs and affinity groups be replicated in your company?

## Professional Development

Investing in and supporting your employees as they grow their careers will keep them engaged, productive and less likely to leave. In order to create meaningful professional development opportunities, consider the following:

- ❑ **Get the basics right.** Conduct frequent performance reviews that include career development suggestions; consider incorporating 360 degree feedback. Similarly, ensure that new employees are appropriately trained and have ongoing training for employees on a regular basis. (More information on professional development will be available in a forthcoming Best Practice Guide.)
- ❑ **Hire internally and inclusively.** Provide clear criteria for promotions to prevent bias, and encourage employees to apply to openings in the company, either in different departments or for management positions. Some organizations post available positions internally before posting externally to give current employees a first look. (For more information about hiring for diversity, see our Growing a Diverse Workforce Best Practice Guide.)
- ❑ **Encourage outside-the-box employee growth.** Ask your employees if they are interested in developing or utilizing any skills outside of their current job description and show that you value their individuality by encouraging them to explore their interests and passions (e.g., through educational and professional development reimbursements, paid time off for community service, etc.). They'll bring their enthusiasm back to the team and open up to the possibility of new skills.<sup>18</sup>
- ❑ **Formalize mentorship.** Studies have shown that mentoring programs lead to proven increases in women and minority representation in management (see next page for more).<sup>19</sup>
- ❑ **Provide life-skill development training too.** Consider providing support and training that benefits your employees not just by helping them do their job better. This might be particularly useful when hiring employees with chronic barriers to employment, and could include financial literacy or financial planning training, ESL or foreign language training, or more.

Your professional development programs will be more powerful if your leadership team is already diverse. Having a diverse leadership team shows that opportunities for career advancement are real and ensures a variety of perspectives are considered when creating professional development programs.



*“ Our HR Manager, Operations Manager, Warehouse Manager & multiple lead employees started out as line employees. By their hard work, dedication & company training, they have worked up to supervisory/leadership positions within the company.”*



- Michael R. Peterson, VP of Operations at [Earth2O](#)  
(Certified B Corp since 2015)

## Impact Snapshot: Mentorship for Refugees

**Rivanna Natural Designs**  
(Certified B Corp Since 2011)



[Rivanna Natural Designs](#) is a woman-owned business based in Virginia that creates awards, plaques, and gifts from sustainably-sourced materials. Their mission is to provide green jobs for refugees and others in their community seeking safe, meaningful, and rewarding employment. Their CEO and Founder Crystal Mario describes their inclusive organizational structure:

“Over the years, we’ve come to understand the unique role that our company plays in the lives of our refugee coworkers. It’s not simply that as an employer, we offer good benefits and wages. It’s more than that as a community of friends who work together, we help those who have just arrived to find their way - to understand cultural nuances, to learn the ropes, to interpret this new world - and, ultimately, to thrive.

The coworkers who have been with us longer are living proof that those initial hurdles for refugees (language, isolation, culture, finances) can and will be overcome. Those coworkers become role models for the newcomers, sharing their experiences and offering their advice (“when I went to the DMV for the first time,” “when I bought my first car,” “when I didn’t know English so well,” and so on). We provide ample opportunities for people to connect (we eat lunch together, have birthday pizzas, team up on projects, cross train) and to help one another succeed at work and in life.”

### Reflection Questions:

- *What professional development opportunities does your company already have and how is their success monitored?*
- *What barriers might exist for employees to participate in professional development opportunities?*
- *What other professional development initiatives might make sense to implement at your company?*
- *Is there a need for specialized opportunities to support employees who are underrepresented or have chronic barriers to employment?*

### Creating a Mentorship Program

Here are a few tips on how to design an employee mentorship program, adopted from Inc. magazine.<sup>20</sup>

- Create a formal program with clear guidelines about who is eligible, the time commitment involved, and expectations for both mentors and mentees.
- Be clear about the goals of the program and understand the goals of the individual participants.
- Match pairs based on the goals of each individual, and create a pathway for pairs to change if partnerships do not work out.
- Ensure everyone is aware of the program.
- Monitor results to determine if the program is successful and how it can be improved.

## Inclusive Compensation & Benefits

It shouldn't come as a surprise, but the final component to retaining your diverse workforce is based on compensation and benefits. Disparities in compensation and benefits are likely to disproportionately affect underrepresented populations. Focusing on equity and soliciting feedback will help create an inclusive package even when financial resources for a company are limited.

### Paying a Living Wage

When employees are unable to cover the costs of living, or are required to take on additional jobs, they are less likely to be engaged in their work and more likely to leave.

#### Living wage

*(noun)*

The wage a full-time worker would need to earn to keep themselves above the federal poverty line in a given locality. This is distinct from a minimum wage, which is the lowest legally-mandated wage an employer can pay. Minimum wages are not necessarily tied to the local living wage.

To make the switch...

- ❑ **Identify the employees at your company that are making less than a living wage.** Remember, the living wage varies significantly based on location and changes from year to year.
- ❑ **Calculate what it will cost to raise those employees to a living wage.** Remember to factor in potential savings from decreasing attrition and turnover. If there are major financial implications, you may need to phase in your wage adjustments or consider other available savings to offset costs.
- ❑ **Bring all current employees up to a living wage.** Remember that additional adjustments may be necessary to ensure fairness in terms of relative pay for employees that were already making more than a living wage.
- ❑ **Establish a system to ensure that this practice applies to new hires and is updated with changing costs of living.**

#### Living Wages Around the World

Here are resources that provide living wage calculations:

- In the United States: [MIT's Living Wage Calculator](#)
- In Canada: [Living Wage for Families](#)
- In the United Kingdom: [The Living Wage Foundation](#)

For other countries, [the Global Living Wage Coalition](#) releases living wage benchmarks for around the world.

In many countries, however, formal calculations have not yet been established. You can get involved by supporting or commissioning a calculation.

Also consider whether the companies that you contract with are paying a living wage. If not, your company may want to encourage those businesses to make the switch and/or consider supporting suppliers that do.<sup>21</sup>



## Q&A with Bruce Taylor, President at [Enviro-Stewards](#)

(Certified B Corp Since 2011)

### Why did Enviro-Stewards become a living wage employer?

*By paying all of our interns more than a living wage, we remove an employment barrier (only wealthier individuals can afford to accept unpaid internship positions). Paying more than a living wage also enables staff to focus on their work (rather than focusing on working multiple jobs to make ends meet) and drastically reduces turnover. We also wanted to increase our impact by ensuring that our subcontract agreements are structured so that our significant suppliers can and do pay a living wage to their staff.*

### What advice would you give to a company looking to adopt a living wage policy?

*In assessing the impact of becoming a living wage employer, keep in mind that...*

1. *You likely already pay a living wage to the majority of your staff;*
2. *Adopting a living wage policy may reduce costs associated with turnover, lost institutional knowledge, and training new staff; and*
3. *There should be no reason for a mission-aligned, capable person to leave your company because they cannot afford to continue working for you.*



## Pay Equity

There are two elements of pay equity:

- Managing differences in compensation across different levels of employment, and
- Eliminating discrimination based on gender, race, sexual orientation, etc.

It's no easy task, but it is one of the most meaningful inclusion commitments your business can make. How should you practically go about achieving pay equity? Start with the following steps:

- ❑ **Develop a [compensation philosophy](#).**
  - Determine what you want to reward (e.g., tenure, responsibility, performance, etc.)?
  - Develop your [job evaluation criteria](#) - this criteria should be specific to your company and relevant to your industry.
  - Consider creating an evaluation or compensation committee that itself has diverse representation.

- **Structure your pay-setting processes objectively.**
  - Collect or create job descriptions for all of the roles in your company (including job title and a summary of tasks, responsibilities, and required skills and experience). Make sure the descriptions themselves use inclusive language and focus on skills needed vs. personality traits.
  - Find out what these jobs are worth in the market. Try to find out what other companies in your industry and geographic area are paying for similar roles.
  - Create a job matrix you can use to compare wages, bonuses and other benefits across positions (e.g., Pay Grade 1-10; or Specialist-Coordinator-Manager-Director-VP-Officer) and determine pay rates for each grade.
  - Set and lead with specific pay targets to ensure you're evaluating the job, not just the person filling the job. This will help you to ensure that you aren't under- or overpaying based on previous inequalities (e.g., if a candidate was paid less at a previous job because of their race, ethnicity, gender, sexual orientation, etc.) or unconscious biases. After you lead with a pay target, you may still use a pay range (e.g., the pay target +/- 10%) to negotiate based on experience.<sup>22</sup>
  
- **Conduct a [pay equity analysis](#) to:**
  - Identify wage, bonus, or benefit gaps based on gender, race, sexual orientation, age, etc.
  - Understand what needs to be done to create pay equity at your company.
  
- **Set targets and timelines to correct pay inequities.**
  - Adjust staff members salaries over time by raising employees salaries as necessary
  - Consider creating policies that tie executive pay increases or bonuses with pay increases for their staff.
  - Be sure to monitor compensation over time to ensure that equity is maintained.

## Benefits

Leverage your benefits package to attract, serve, support, and retain diverse talent. Here are three essential steps to aligning your benefits package with your company's broader D&I goals:

1. **Analyze your current approach.** Before you start making adjustments, consider who has access to benefits at your company today. Are any groups left out?
  
2. **Find out what your employees want and need.** Consider conducting surveys, demographic analyses, and/or focus groups to help you envision what a more supportive and cost-effective benefits plan would look like. You may want to try personalizing your benefits to some degree (e.g., with opt-in, opt-out options).<sup>23</sup>
  
3. **Make sure that your employees understand their benefits options and offerings.** Think carefully about your workforce's language preferences, reading levels, communication channels, and preferred information mediums (e.g., online communications, written reports, videos, or presentations by peers). This will enable you to craft communications to ensure that your employees clearly understand the value that your benefits will bring to them and their families.<sup>24</sup>

If you operate in the United States or another country where health insurance is commonly provided by employers, try using health risk questionnaires and focus groups to identify the best health benefits for your unique team. This will enable you to work with health providers to tailor benefits to best serve your unique workforce.<sup>25</sup>

If you aren't already, consider offering the following to your employees:

- Benefits to domestic partner, civil union, and/or same sex marriage spouses and dependents,<sup>26</sup>
- [Transgender-inclusive health care](#); and
- Disability income insurance for protection in the case of accidents.

Your approach to providing benefits will depend on the unique needs of your employees and the resources at your disposal. That said, certain benefits may be more effective than others at boosting the inclusivity of your workplace. If you aren't already, consider offering:

- **Flexible working arrangements.** Empower your employees to make some decisions regarding when and where they work (e.g., through flex-time work schedules, job sharing, telecommuting, etc.). Studies have shown that this practice allows companies to hire and retain more women and people with disabilities, and that men also benefit. Flexible working arrangements can reduce work/life conflict, enhance productivity, improve wellbeing, reduce absenteeism, and increase job satisfaction.<sup>27</sup>
- **Extended, paid parental leave (for United States based companies).** Without the guarantee of sufficient paid parental leave, new parents are often forced to choose between economic hardship and returning to work prematurely.<sup>28</sup> Your company should give parents, regardless of their gender or family structure (i.e., including parents of all genders, same-sex couples, adoptive parents, etc.), the support, security, and time that they need to bond with a new child. Consider giving your workers the flexibility to return to work slowly—either working part-time at first or working from home a few days a week for the first few months back.<sup>29</sup>

Some other benefits options related to D&I include child care, free/subsidized housing, financial services, retirement plan contribution matching, and life insurance.

**What About Your Office's Physical Environment?** While not strictly a "benefit," your office location and space also influences employee engagement and can impact retention of a diverse workforce. Within the workplace, consider things like gender-neutral bathrooms, private space for breastfeeding, physical access for individuals with disabilities, etc. When considering the location of your workplace, be conscious of commute time and proximity to diverse neighborhoods, as well as proximity and convenience of public transportation.

*Reflection Questions:*

- *How would you conduct a pay equity analysis for a company of your size and industry?*
- *How are employees made aware of the benefits they have access to? Have you surveyed employees on their preferences regarding what benefits to offer?*

## Impact Snapshot: Childcare Support

### Patagonia

(Certified B Corp Since 2011)

Patagonia (B Corp since 2011), a leading outdoor apparel company, has operated an onsite child development center at their headquarters in California for the past 33 years. This program has enabled Patagonia to support and retain women in their workforce - over the last five years, 100% of mothers have returned to work at Patagonia after maternity leave. President and CEO Rose Marcario shares:



“For our founders, it just seemed like the right thing to do back when the company was just starting out. Our employees, in turn, give more to the company because it acts as a partner in life, not an obstacle. We estimate that we recover 91 percent of our calculable costs on the child development center annually. Of course, this quantifiable picture leaves out the obvious intangible benefits of providing on-site child care: more women in management (women make up 50% of our workforce and hold 50% of upper management positions); greater employee loyalty; stronger workplace culture; and more. If we could quantify these positive impacts, an overall ROI of 115-125 percent on our own program wouldn’t surprise me.”<sup>30</sup>

## Maintaining Accountability

Preserving an inclusive workplace requires ongoing support and review. To maintain accountability for your inclusion efforts over the long term, start by regularly monitoring attrition and by being transparent about your efforts and their results.

### Monitoring Attrition

High rates of attrition will impact your bottom line and your ability to meet your goals. Your company should monitor attrition in order to understand who is leaving and why. Start by:

- Conducting thoughtful exit [interviews](#)
- If possible, analyzing attrition rates and exit survey results against demographic data

If you discover that you have high levels of attrition among certain demographic groups, you may want to re-examine your inclusion strategy.

### The High Costs of Attrition

Data from American companies indicates that average costs to replace an employee depends upon their seniority.

For example, it would cost:

- \$3,328 to replace a \$10/hour retail employee (16% of salary)
- \$8,000 to replace a \$40k manager (20% of salary)
- \$213,000 to replace a \$100k CEO (up to 213% of salary)<sup>31</sup>



## Transparency

In addition to contributing to a more inclusive workplace, transparency, specifically about diversity and inclusion initiatives, creates accountability as well. This can involve both internal and external transparency. Consider moving away from the question, “Why do we need to share that information?” Ask instead, “Are there any compelling reasons why we shouldn’t share that information?”

### A Rising Trend

“Leading companies like Bank of America Merrill Lynch, Facebook, and Google have placed big bets on accountability in the past couple of years. Expanding on Deloitte’s early example, they’re now posting complete diversity numbers for all to see.”<sup>32</sup>

- Harvard Business Review



Etsy

### Q&A with Juliet Gorman, Senior Director of Culture and Engagement at [Etsy](#) (Certified B Corp Since 2012)

Etsy, a New York-based online marketplace, recently published a [public Diversity & Equality Report](#) on their website. The report includes gender and ethnic diversity data across key teams. It highlights Etsy’s impressive strides towards gender equality (women comprise about 54% of their workforce and 50% of their management), which make the company an outlier in the tech industry. It also acknowledges that there is still much work to be done, especially in terms of improving ethnic diversity.<sup>33</sup>

We checked in with Juliet Gorman, the author of the report and Etsy’s Senior Director of Culture and Engagement, to learn more about the company’s approach to transparency and D&I.

#### Why did Etsy decide to publish the Diversity & Equality Report?

*We believe that publicly sharing our diversity statistics will help us stay accountable in our efforts to create and nurture a more diverse and inclusive workforce. In supporting such a workforce, we’re not just staying true to our mission and values, we’re building a better business. [Research](#) shows that harnessing diversity effectively, while difficult, will help us stay competitive, resilient, and resourceful in the long term.*

#### How does this act of transparency contribute to Etsy’s overall goals and business objectives?

*One of our [publicly-stated values](#) is that we are a mindful, transparent, and humane business. By operating transparently, we’re keeping ourselves accountable while continuing to build trust, loyalty, and engagement among the people - our employees, buyers and sellers, and partners around the world - who make our business run.*

*Did you find this resource guide useful? Do you have feedback on how it can be improved, or ideas for other resources we can provide? Let us know what you think at [inclusion@bcorporation.net](mailto:inclusion@bcorporation.net).*

## Endnotes:

- 1 <https://hbr.org/2014/03/fear-of-being-different-stifles-talent>
- 2 <https://www.stthomas.edu/workplaceforum/webinars/inclusion-by-design-making-it-real-and-making-it-happen/>
- 3 [http://www.tilburquuniversity.edu/upload/9c8bedd4-e070-4127-a747-9e510f1ab764\\_onderzoek%20-%20inclusion%20and%20diversity%20in%20work%20groups%20-%20a%20review%20and%20model%20for%20future%20research.pdf](http://www.tilburquuniversity.edu/upload/9c8bedd4-e070-4127-a747-9e510f1ab764_onderzoek%20-%20inclusion%20and%20diversity%20in%20work%20groups%20-%20a%20review%20and%20model%20for%20future%20research.pdf)
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- 6 <http://projectinclude.org/training#require-annual-diversity-training-for-all-execs-and-managers>
- 7 <https://hbr.org/2016/07/why-diversity-programs-fail>
- 8 <https://www.stthomas.edu/workplaceforum/webinars/inclusion-by-design-making-it-real-and-making-it-happen/>
- 9 <https://hbr.org/2016/07/why-diversity-programs-fail>
- 10 Ibid.
- 11 Ibid.
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- 13 <http://www.csrwire.com/blog/posts/413-from-diversity-to-inclusion-to-impact-our-journey-at-campbell>
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- 15 <http://www.catalyst.org/knowledge/topics/erqs-employee-resource-groups>
- 16 <https://www.shrm.org/hr-today/news/hr-magazine/pages/0913-affinity-groups.aspx>
- 17 <http://www.hrc.org/resources/establishing-an-employee-resource-group>
- 18 <http://www.diversityjournal.com/15628-authentic-engagement-a-great-cultures-secret-sauce/>
- 19 <https://hbr.org/2016/07/why-diversity-programs-fail>
- 20 <http://www.inc.com/guides/2010/04/start-mentoring-program.html>
- 21 <http://www.livingwage.org.uk/how-become-living-wage-employer>
- 22 <https://rework.withgoogle.com/guides/pay-equity/steps/structure-your-pay-process/>
- 23 [http://www.sunlifsummit.com/wp-content/uploads/2015/11/BRWP-4038c\\_Diversity-White-Paper.pdf](http://www.sunlifsummit.com/wp-content/uploads/2015/11/BRWP-4038c_Diversity-White-Paper.pdf)
- 24 Ibid.
- 25 Ibid.
- 26 <http://www.hrc.org/resources/domestic-partner-benefit-eligibility-defining-domestic-partners-and-depende>
- 27 [https://www.ced.org/pdf/Deloitte\\_-\\_Only\\_Skin\\_Deep.pdf](https://www.ced.org/pdf/Deloitte_-_Only_Skin_Deep.pdf)
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- 30 <https://www.linkedin.com/pulse/why-should-employers-care-families-rose-marcario>
- 31 <https://www.zanebenefits.com/blog/bid/312123/Employee-Retention-The-Real-Cost-of-Losing-an-Employee>
- 32 <https://hbr.org/2016/07/why-diversity-programs-fail>
- 33 <https://blog.etsy.com/news/2016/diversity-and-equality-at-etsy/>



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