# INTENTIONAL DIVERSITY & INCLUSION

Sharifa Batts, DBA

# **ICEBREAKER**

WHO IS YOUR





### **ICEBREAKER**



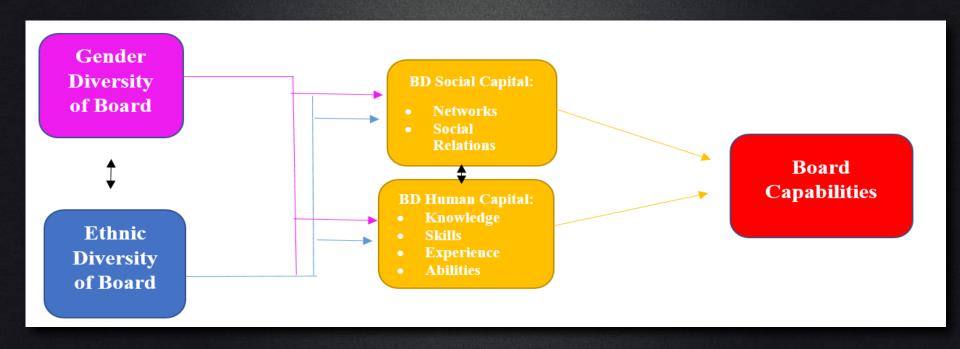
#### WHO IS IN YOUR TOP 10?

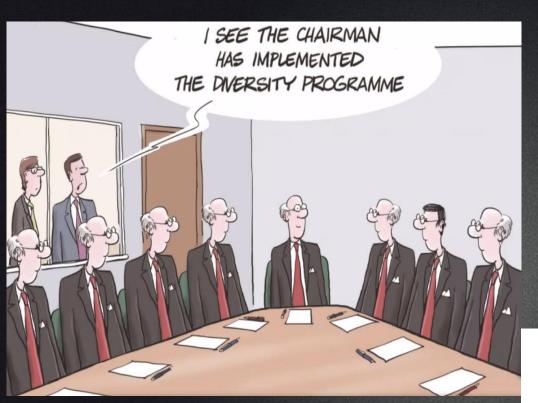
(Write the Names or Initials of 10 People, Not Family Members, Who You Trust Most)

					Religion/				Sexual
	Trusted Top 10 (Name or Initials)	Race	Gender	Age	Spirituality	Education	Economic Status	Disability	Orientation
1									
2									
3									
3									
4									
5									
6									
7									
8									
•									
9									
10									

#### **Research** Questions and Framework

How Does the Human and Social Capital of Diverse Board Members Contribute to Board Capabilities?



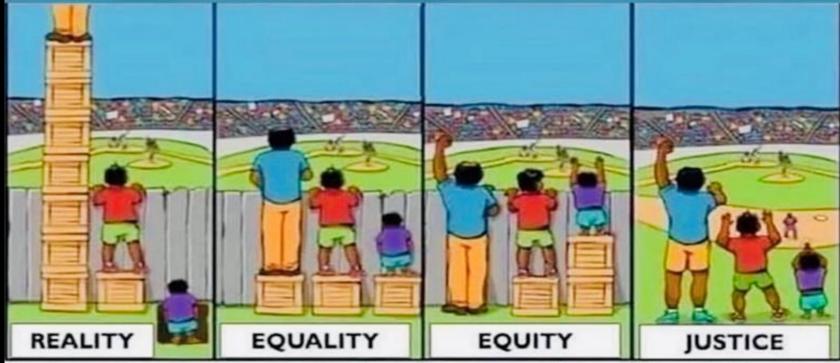




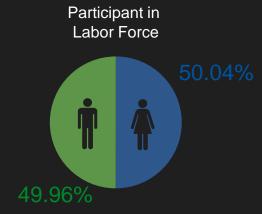
# THINK ABOUT AAUW OR YOUR COMPANY



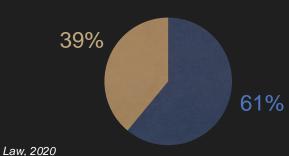
IS IT A DIVERSE GROUP?



One gets more than is needed, while the other gets less than is needed. Thus, a huge disparity is created. The assumption is that everyone benefits from the same supports. This is considered to be equal treatment. Everyone gets the support they need, which produces equity. All 3 can see the game without supports or accommodations because the cause(s) of the inequity was addressed. The systemic barrier has been removed.

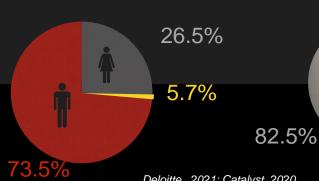


#### **Minority Participants** in the US Labor Force





#### Fortune 500 **Board Representation**



Minority US **Corporate Boards** 

17.5%

· Trend shows workforce is changing: U.S. economy is driven by

· U.S. workforce becoming increasingly diverse

(Cox et al., 1991; Ragins & Gonzalez, 2003)

- increased minority buying power and strict CA regulations Investor pressure to serve women and minority customers and
- stakeholders
- Yet board compositions are struggling to keep pace with the change

• 85% of new entrants consist of women and minorities since the year 2000





Deloitte, 2021; Catalyst, 2020

The membership survey was conducted in the fall of 2020, and 62 members completed the survey (slightly over 50% return rate)

# Race/Ethnicity Breakdown of AAUW Members:

• Caucasian/White: 75%

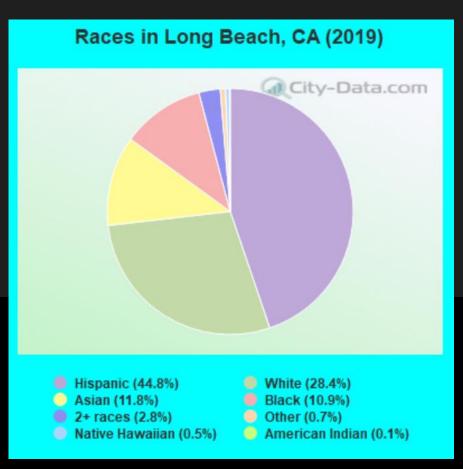
• Asian American: 10%

• Mixed Race: 5%

• Latino/Hispanic: 5%

• African American: 3%

Most Under-Represented Groups are Hispanic and African American



#### **Age Breakdown of AAUW Members:**

• Over 66: **68%** 

• 56-65: **13%** 

• 40-55: **14%** 

• Under 40: 4.5%

#### **Opportunity to Recruit Younger Members**

#### **Sexual Orientation of AAUW Members:**

• Heterosexual: 95%

• Lesbian: 5%

• Bisexual: 1.7%

**Opportunity to Recruit LGBTQ Members** 

#### **Occupation:**

• Education (All Levels): 48%

• Healthcare: 8%

• Business: 9%

Remaining Misc.





1 Problem Addressed

Boards are disadvantaged when their composition fails to align with their employee population or the stakeholders they serve; this neglects the contributions of women and minorities as their voices are not heard

2 Purpose

Motivate increased representation of women and minorities on boards by documenting how they increase the boards' capabilities through their UNIQUE Human Capital (knowledge, skills, education, training and various experience) and Social Capital (ability to access resources through their connections) and in doing so increase the capabilities and effectiveness of boards

3 Significance

Extend theory in the areas of diversity and board effectiveness and motivates greater representation of women and minorities on boards to create greater equality and ensure their voices are heard.

#### **Diversity and Boards (Mixed Support)**

GENDER /ETHNIC DIVERSIT

- Positive: A diverse board provides a broader view and a better understanding of the complexities of the business environment (Campbell & Minguez-Vera, 2008)
- Negative: Different backgrounds and opposite genders have contradictory attitudes and values (Cox et al., 1991)
- No Direct Link: Too much or too little demographic diversity can hurt an organization (Ostergaard et al., 2011)

HUMAN CAPITAL

- Literature suggests diversity will influence the board's performance when there is unique human capital, but results indicate both positive and negative relationships from a financial standpoint (Carter et al, 2010)
- Women and minorities bridge boundaries of cultural divides and can better understand other people's perspective, constraints, and vocabulary (Jang, 2017; Tasheva & Hillman, 2019)

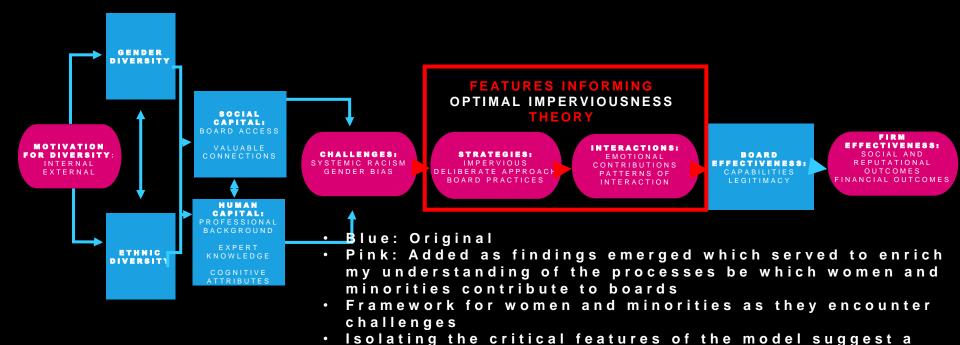
SOCIAL

- Literature suggests women and minorities have unique social capital which are more valuable than the redundant connections from the majority (Miller & Triana, 2009; Tasheva & Hillman, 2019)
- Lack of investigation conducted on individual director's social capital and the impact on board capabilities and firm effectiveness (Kor & Sundatamurthy, 2009)

BOARDS

• Effective boards have the following capabilities: Monitoring: Observe and Control Executives, Provide information and advice, Monitor Compliance of laws, Connect the Organization with the External Environment; Resource Provisions: Perform Research, Secure Resources, Communicate with External Parties (Mallin, 2004; Tasheva & Hillman, 2019)

#### **Emergent Model**



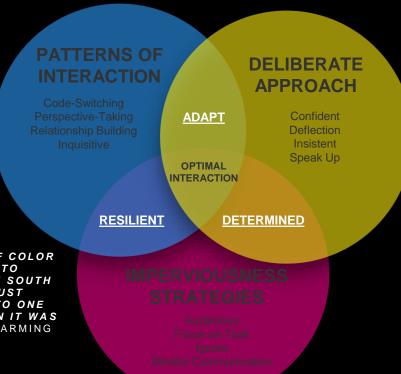
new theoretical development which I refer to as OIT

#### **Theoretical Contributions: Optimal Imperviousness Theory (OIT)**

"I SPEAK UP. SEE SOMETHING, SAY SOMETHING. I CANNOT SIT ON THE BOARD WHEN I SEE OR HEAR SOMETHING...I DON'T CARE IF THE REST OF THE BOARD DIDN'T SAY ANTYHING OR DIDN'T SEE IT. IF I SEE IT, I HAVE TO SAY SOMETHING" (BM MM, ASIAN AMERICAN FEMALE, TRADITIONAL MEDICINE BOARD)

"MY PERSONAL APPROACH TO ALL THAT WAS JUST TO PLOW FORWARD AND TO FOCUS ON THE TASK" (BM HH, CAUCASIAN FEMALE, CITY BOARD)

"AND SO I THINK THAT ABILITY TO CODE SWITCH THAT PEOPLE OF COLOR TYPICALLY HAVE TO DO IN VARIOUS ENVIRONMENTS. I WAS ABLE TO LEARN HOW TO DO THAT BECAUSE I WILL HAVE TRAVERSED FROM SOUTH LA TO HOLLYWOOD EVERY DAY. SO THAT WAS PART OF MY... IT JUST BECAME A PART OF WHO I WAS. IT WASN'T THAT I WASN'T TRUE TO ONE OR THE OTHER, IT'S JUST I KNEW WHEN TO TURN IT ON AND WHEN IT WAS TIME TO TURN OFF" (BM I, AFRICAN AMERICAN FEMALE, GLOBAL WARMING BOARD)



#### Recruiting

- **≻**Do intentional recruiting for diversity
- ➤ Step out of your comfort zone and proactively reach out to diverse people
- ➤ Forge alliances with people or organizations who can assist with outreach and help garner a stronger presence in marginalized communities
- ➤ Invite people to an AAUW event or to a board meeting as a guest
- ➤ Set goals and track progress

#### Diverse Inclusive Membership

- > To build solidarity, we must reach out all members
- > Create equitable opportunities for all to join committees and become board members
- ➤ Listen and respond with empathy so people feel listened to and understood
- ➤ Encourage involvement so people feel involved and ask for help
- **>**Build trust by sharing thoughts & feelings
- ➤ Support members ideas or share your rationale when you have a different opinion

### Inclusion Matters

- ➤ A diverse and inclusive movement is essential to connecting with and representing the group
- > Diversification efforts creates a greater sense of inclusion
- ➤ Beyond connecting with members setting an example of diversity & equity is necessary to the survival and growth of organizations

#### **Diversity and Inclusion Moving Forward**

## Diversify Leadership

- Organizations are recognizing the demographic shift and promoting more diverse members to leadership roles
- > Increase Diversity of Board
- > Embrace diverse backgrounds
- Establish recruiting and mentorship programs to help potential leaders thrive
- Have the courage to tackle leadership and board roles

Diversity Outreach Programs

- Intentional Recruiting:
  Actively reach out to people from underrepresented communities and encourage them to join
- Partner with local community groups to help reach marginalized community members
- Join local parades (i.e. Pride or MLK)

Advocate for Legislation that Supports Diversity

- Advocate together for women's rights
  - https://www.aauw.or g/resources/policy/ra llying-for-reprorights/

16

TAKE ACTION

#### **Diverse Groups Thrive**

# Take Action in Your State

Make a difference in your state. Get involved. Close the gender pay gap. Pass paid family leave. Stop sexual harassment. Support women and girls in STEM. Advance gender equality for all.

#### **AAUW Website**

https://www.aauw.org/about/leaders/

Interesting in joining our national board and committees?

**LEARN MORE** 

### **Take Action**

There are lots of ways to get involved with AAUW's work to advance gender equity.

Together, we can make a difference in the lives of women and girls.

- Become a Two-Minute Activist
- Donate to support gender equity
- Be a part of the Equity Network
- Partner with us

#### **AAUW Articles**

https://www.aauw.org/issues/equity/

**EXPLORE THE ISSUES** 

# Workplace & Economic Equity

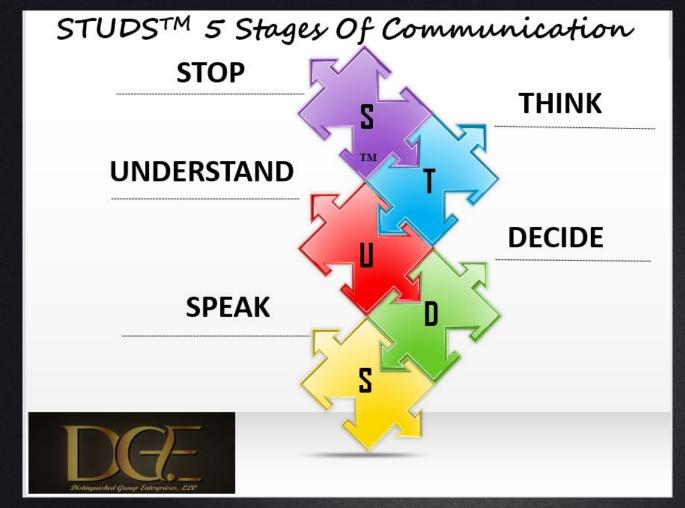
When women get equal pay — and equal opportunity — they, their families and all of society will thrive. To get there, we need to embrace diversity, equity and inclusion.

- The Gender Pay Gap
- The Gendered Workforce
- Workplace Sexual Harassment
- The Motherhood Penalty
- Women & Retirement
- > The Future of Work

# Overview of Practical Contribution

Professional Background	Director A	Director B
Attorney/Legal/Public Policy		
Board Director Experience		
Consulting		
Core Industry Experience		
Diverse Background		
Diverse Experience		
Finance/Audit & Risk		
Senior Executive Experience		
Expert Knowledge	Director A	Director B
Global Business		
Law		
Upbringing as a Minority		
Upbringing as a Woman		
Cognitive Attributes	Director A	Director B
Assertive		
Audacious		
Confident		
Different Viewpoint		
Higher Education (BA, JD, PhD, DBA)		
Leadership Viewpoint		
Open-Minded		
Situational Understanding/Awareness		
Interaction Capabilities Many are Classified as Soft Skills	Director A	Director B
Ability to Ignore or Deflect Negativity		
Ability to Speak Up		
Code-Switching Ability		
Focus on Tasks		
Impervious Ability		
Inclusive		
Inquisitive		
Insistent		
Integrity		
Mindful Communication		
Passionate		
Perspective-Taking Ability		
Governance Capabilities	Director A	Director B
Comprehend Financials		
Diverse Connections		
Regulatory, Compliance, Risk Experience		
Strategic Planning/Thinking		





- ➤ Motivate greater inclusion on boards
- ➤ Increase compliance with the legal mandate
- ➤ Improve board capabilities
- ➤ Increase the effectiveness of organizations that serve diverse populations

