EMPLOYING A WORKFORCE THAT REFLECTS OUR COMMUNITIES

WASHINGTON EMPLOYERS FOR RACIAL EQUITY

In December 2020, a coalition of CEOs and senior private sector leaders came together to launch **Washington Employers for Racial Equity** (WERE), a statewide coalition committed to building a racially equitable future.

All WERE members start by signing the **Commitment to Progress**, committing to collective goals and the work necessary to advance racial equity in their workplaces and communities. This work begins with a focus on equity for Black Washingtonians, with the ultimate goal of equity for all.

WERE members work to examine the impacts—positive or negative, intended and unforeseen—of company and institutional processes, policies, and systems that influence the development and advancement of Black talent and Black businesses in Washington state. WERE seeks to learn from Black-owned businesses and Black workers about the intentional actions that companies can take to accelerate equity and share examples of best and promising practices.

SPOTLIGHT: SUPPORTING ADVANCEMENT OF BLACK TALENT

BLACK AND AFRICAN AMERICAN EMPLOYEES MAKE UP 4% OF MANAGERS AND SENIOR LEADERS AT WERE MEMBER COMPANIES STATEWIDE AND 3% IN THE CENTRAL PUGET SOUND. YET 6% OF THE WORKING-AGE POPULATION IN WASHINGTON STATE IS BLACK OR AFRICAN AMERICAN.[1]

THE WERE COALITION HAS TWO GOALS:

1. EMPLOY A WORKFORCE THAT REFLECTS THE COMMUNITY

2. INCREASE BLACK REPRESENTATION IN MANAGEMENT AND LEADERSHIP ROLES.

WITH THESE GOALS IN MIND, WERE WANTS TO BETTER UNDERSTAND THE BARRIERS BLACK TALENT FACE IN WASHINGTON AND HIGHLIGHT BEST PRACTICES AND CASE STUDIES THAT EMPLOYERS CAN LEVERAGE TO REMOVE BARRIERS AND ADDRESS INEQUITIES.

IN THIS REPORT, WERE HIGHLIGHTS A SELECTION OF PRACTICES EMPLOYERS OF VARIOUS SIZES CAN EXPLORE TO SUPPORT THE ADVANCEMENT OF BLACK TALENT, INCLUDING ACTIVE SUPPORT FOR EMPLOYEE RESOURCE GROUPS, EXECUTIVE-SPECIFIC RACIAL EQUITY TRAINING, AND EQUITABLE PROMOTION POLICIES.

BARRIERS BLACK EMPLOYEES FACE IN ADVANCING WITHIN THEIR WORKPLACE

Black employees and other employees of color have spoken for years about workplace biases and barriers that translate to fewer promotions and financial rewards, slower career progression, and diminished opportunities to contribute to organizational success. In reviewing publicly available data and existing national research, two barriers stand out:

1. Black workers have limited access to referral networks & decision-makers.

More than one-third of workers nationally received a referral for their current job. However, people of color often do not benefit from these networks. Men of color are 25% less likely, and women of color are 35% less likely to be referred for a position than white men.[2]

In addition, Black employees often do not have opportunities to forge relationships with senior leaders in the same way as white workers. More than two-thirds of Black employees nationally report having no access to their senior leaders, as compared to less than half of white employees.[3] This limits the exposure Black talent have to leadership and decision-makers.

2. Black talent are underrepresented in leadership positions & higher-paid roles.

Nationally, Black professionals hold 3.2% of all executive and senior leadership roles and less than 1% of Fortune 500 CEO positions.[4] In Washington state, Black executives account for less than 1.9% of corporate leadership roles despite making up 3.7% of the labor force.[5] Across the country, nearly one in five Black professionals feel that someone of their race/ethnicity would never achieve a top position at their company.[6]

EXPLORING OPPORTUNITIES TO INCREASE ACCESS & REPRESENTATION FOR BLACK TALENT

EQUITABLE ADVANCEMENT STRATEGIES SHOULD DRIVE INCREASED ACCESS AND REPRESENTATION FOR BLACK WORKERS ACROSS THE BUSINESS ENTERPRISE. IN ADDITION, SUCH STRATEGIES WILL SUPPORT MEANINGFUL GROWTH FOR WASHINGTON EMPLOYERS AND INVESTMENT IN BLACK AND OTHER COMMUNITIES OF COLOR.

IN REVIEWING EQUITABLE ADVANCEMENT STRATEGIES DEPLOYED BY EMPLOYERS ACROSS THE COUNTRY, WE HAVE EXPLORED EFFORTS TO INCREASE BLACK EMPLOYEE ACCESS TO LEADERSHIP, IMPROVE LEADERSHIP CULTURE AND AWARENESS OF BIAS IN EMPLOYEE MANAGEMENT, AND RESTRUCTURE INEQUITABLE ADVANCEMENT POLICIES AND PROCESSES.

DIFFERENT PRACTICES EXPLORED WILL RESONATE WITH DIFFERENT EMPLOYERS BASED ON THEIR GROWTH STAGE, THE COMPOSITION OF THEIR STAFF OF COLOR, OR THE MATURITY OF THEIR DIVERSITY, EQUITY, AND INCLUSION PRACTICES.

AS A COALITION, OUR INTENTION IS THAT PRESENTING THESE CONCEPTS WILL CATALYZE EMPLOYER ACTIONS TO IDENTIFY AND REMOVE BARRIERS FOR BLACK WORKERS AND BUILD AN EQUITABLE FUTURE FOR ALL.

LEVERAGE EMPLOYEE RESOURCE GROUPS TO INCREASE VISIBILITY, ACCESS, & IMPACT OF BLACK EMPLOYEES

Employee Resource Groups (ERGs) are voluntary, employee-led groups comprised of individuals who connect based on shared interests, backgrounds, or demographic factors such as gender, race, or ethnicity.[7] ERGs can offer a safe, supportive space for employees with a common identity. They can be a critical link to elevating the lived experiences of employees of color and other underrepresented groups within the organization.[8] ERGs help organizations better understand the needs of their employees and gain insights into who their customers are. Many organizations rely on ERGs to help inform the recruitment, onboarding, and retention of employees of color, as well as marketing and other business functions.

Establishing an ERG focused on the interests of Black employees and employees of color is the first step. Empowering ERG leaders and members to be meaningful participants in the fabric of an organization is equally important and requires authentic relationships and dedicated resources.

BLACK TALENT ARE MORE LIKELY TO APPLY TO AND STAY AT COMPANIES WITH ERGS.

70% OF BLACK EMPLOYEES AGE 18 TO 24, AND 52% OF THOSE AGE 25 TO 34, SAY THEY ARE MORE LIKELY TO APPLY FOR A ROLE AT A COMPANY THAT HAS AN ERG.

50% OF BLACK EMPLOYEES WOULD REMAIN AT A COMPANY BECAUSE IT HAS AN ERG.

SOURCE: HARVARD BUSINESS REVIEW

SUCCESSFUL ERGS HAVE:

- **Executive Sponsorship.** ERGs need executive-level sponsors who operate in the C-suite, or are at most one level removed, and are positioned to advocate for ERG initiatives and advance strategic goals. Executive sponsors should proactively solicit input from Black employees and act on those concerns.

- **Compensation & Support.** Organizations that look to ERGs to support core functions—like recruitment, onboarding, retention, marketing, and strategy—should provide compensation and administrative support for ERG leaders. Otherwise, the additional labor burden placed on ERG leaders will exacerbate inequities and limit their ability to positively impact corporate culture and support business health and growth. Support could include adding ERG leadership as a component of an employee's job description, so it becomes part of their job responsibilities and they are compensated accordingly.

- **Follow Through.** If a company fails to act on employee feedback in a consistent, transparent, and accountable way, employees will likely become frustrated and cease to participate meaningfully in equity conversations. It is essential when working with an ERG that action steps are documented and progress is tracked and reported to ERG members and across the enterprise so trust and candor can thrive.

PRACTICE IN ACTION:

nanoString™

NanoString, a leading provider of life science tools for discovery and translational research founded in Seattle in 2003, has more than 800 employees globally, with about 600 located in Washington state. NanoString launched three ERGs in 2020 to provide a channel for company leaders to hear diverse voices, build allyship, and provide those with a common interest a place to connect. The ERGs are open to any employee who wants to support the visibility and advocacy of the work. NanoString ERGs include: 1. nPOCA—a group for people of color and allies; 2. nPride—a group for members of the LGBTQ+ community; and 3. WInS—a group for women in science.

NANOSTRING'S DEI EXECUTIVE COUNCIL TOOK THREE KEY STEPS IN CONCEPTUALIZING & ESTABLISHING ERGS:

1. Requested feedback from employees on the types of ERGs they would like to see at the company and assessed the level of member engagement available for the launch of recommended groups through survey and voting.

2. Invited proposals from employees to spearhead ERGs in the areas that garnered the most interest. Proposals had to include a statement of purpose, a description of how the ERG would operate and benefit employees, and an application for potential ERG leaders.

3. An ERG operating policy was established to guide ERG leaders on key areas of governance, and selected ERG leaders were required to be senior leaders or above to ensure they had the skills to manage a group and influence executive leaders.

"OUR ERGS AT NANOSTRING WERE CREATED TO REPRESENT THE DIVERSITY AT NANOSTRING SO EMPLOYEES FROM DIFFERENT BACKGROUNDS COULD CONNECT AND LEARN FROM EACH OTHER. OUR LEADERSHIP TEAM FACILITATED THE CREATION OF ERGS BASED ON EMPLOYEE FEEDBACK AND ENGAGEMENT. HAVING ERGS AT NANOSTRING INSTILLS A SENSE OF BELONGING AND HELPS TO MAINTAIN A CULTURE OF EMPOWERMENT, THEREBY PRIORITIZING THE EMPLOYEE EXPERIENCE."

—SAIMA HABIB,
CO-CHAIR OF THE NPOCA (NANOSTRING PEOPLE OF COLOR & ALLIES)

ONCE LEADERSHIP WAS SELECTED, EACH ERG CREATED A CHARTER AND RECEIVED AN ANNUAL BUDGET. ALL ERG CHARTERS MUST CONTAIN THREE COMPONENTS:

- **Internal education.** ERGs host educational workshops or bring in speakers to promote learning and understanding of different backgrounds (e.g., racial, gender, etc.). This has included workshops on unconscious bias and how to find and leverage a senior-level mentor. Learning events are usually open to company-wide participation.

- **Professional development opportunities for members.** These opportunities give individual members formal and informal opportunities to grow as an employee. This includes opportunities to engage with leadership and participate in specific skill-based workshops and project work that employees can feature in their performance reviews.

- **Community outreach.** ERGs not only benefit the internal culture and business outcomes of NanoString but also are encouraged to give back to the community. nPOCA's grant for Research Centers in Minority Institutions has provided researchers at 18 minority institutions access to NanoString technology to achieve their research goals. Outreach also involves participating in recruiting events to support hiring a more diverse workforce, including underrepresented minority groups.

Each NanoString ERG has an executive sponsor who is a member of the senior leadership team. The sponsor meets quarterly with ERG leaders, who provide mentorship around addressing issues employees of color face, recommendations, and feedback, which is then shared with the rest of the senior leadership team. ERG leaders meet bi-monthly with the Vice President of Human Resources to provide recommendations around policies, programs, and other elements that increase equity and inclusion. This practice has helped managers and executives better understand the experiences of employees of color in different parts of the organization and create trust between employees and company leaders. It also gives employees of color exposure to decision-making and senior leaders.

PROVIDE EXECUTIVE-SPECIFIC RACIAL EQUITY EDUCATION PROGRAMS FOCUSED ON REMOVING BIAS AND ADVANCING EMPLOYEES OF COLOR

Beyond initial buy-in, organizations must actively foster equitable and inclusive workplace culture reinforced by executive leadership training and consistent practice to identify and eliminate bias and build relationships across the company.

EXECUTIVE LEADERSHIP PROGRAMS SHOULD:

- **Engage leaders to identify personal biases.** Leaders—particularly white leaders—should be encouraged and given opportunities to explore and identify their personal biases and better understand the lived experiences of employees of color in the workplace. This is core to clearly seeing, and then improving, workplace culture.

- **Include racial equity training.** Seventy-five percent of companies nationally do not include racial equity in their leadership development curricula.[9] Creating equitable workplace culture starts by reversing that statistic. Executive leadership development programs should include racial equity training focused on building strategies to address personal and structural barriers that people of color face in a system or organization.

- **Provide personalized coaching.** Coaches can listen to leaders' day-to-day experiences and offer personalized and relevant advice to address situations in a sustainable manner. This reinforces learnings from formal trainings and workshops, encourages introspection regarding personal biases, and supports efforts to turn learnings into practice.

PRACTICE IN ACTION:

KAISER PERMANENTE

For the past two years, Kaiser Permanente's national Equity, Inclusion, and Diversity program has focused on helping employees across the multi-state enterprise adopt more equitable and inclusive practices. Leadership at Kaiser Permanent Washington recognized that policies alone were not enough for them to start acting on the company's racial equity goals related to advancing Black talent and health equity. They also needed a pathway to engage senior leaders together and institutionalize diversity, equity, and inclusion practices. This led to the creation of a cohort-based learning and personalized coaching program for senior leaders. The program provides senior leaders with:

- **Culturally responsive professional development opportunities** designed to establish a comprehensive, cohesive racial equity analysis in the context of Kaiser Permanente. The more leaders deepen their awareness of self and knowledge of others, the better equipped they are to engage skillfully and respectfully across cultures to improve racial equity.

- **Coaching in adaptive leadership** to build individual strategies that support equity work and move a project or initiative forward. This includes training and coaching to set goals and implementation steps that center equity.

- **Training to increase capacity for institutional change**, which gives senior leaders skills to dismantle organizational, institutional, and structural racism and create a collective solution by engaging the people most impacted through authentic listening and collaboration.

FEEDBACK FROM COHORT MEMBERS

"THIS TRAINING HAS IMPROVED MY AWARENESS AND GIVEN ME SOME SIGNIFICANT TOOLS TO ADDRESS SYSTEMIC RACISM."

"I HAVE NEW TOOLS TO USE IN LARGER LEADERSHIP MEETINGS TO NORMALIZE THE CONVERSATION ABOUT RACIAL AND HEALTH JUSTICE WHEN TRYING TO ENACT CHANGE."

"I FEEL I HAVE THE FRAMEWORK AND BETTER LANGUAGE TO CONTINUE THESE DISCUSSIONS WITH MY COLLEAGUES AND IN THE VARIOUS WORKGROUPS IN WHICH I PARTICIPATE."

The first cohort of leaders in this program included executives from Human Resources, Community Benefit, Member Engagement and Patient Advisory, Care Delivery, and clinicians from the Permanente Medical Group. Over the five-month period, these executives met monthly for a three-hour session. The sessions focused on sharing experiences and challenges senior leaders faced in implementing DEI policies and getting feedback from coaches on how to address those challenges. The training also included equity-centered design models whereby participants workshopped challenges through the use of mindfulness/centering exercises and tools, as well as systems thinking for racial equity, coaching on constructive listening, and creating courageous and gracious space where these leaders could be vulnerable and learn in public.

As a result of this program, each leader from the cohort has established racial equity strategic goals tied to their current project or initiative. They also have consistent assessment and check-in mechanisms in place to keep them accountable to the equity goals they set. A second cohort starts in Fall 2022.

PRACTICE IN ACTION:

Microsoft

Differentiated Development Programs provide psychological safety for learning and growth.

Microsoft's Differentiated Development Programs are designed to increase representation and strengthen the company's culture of inclusion. Microsoft launched intentional career planning and development efforts with the goal of expanding on the support, professional growth, and advancement of all employees, including managers and directors. To help prepare employees for leadership roles, a new development opportunity was designed to provide select Black and African American, Hispanic, and Latino/a employees with a better understanding of the leadership expectations of the Partner/General Manager level and match them with senior-level sponsors and mentors.

Microsoft has launched 38 cohorts for mid- and senior-level leadership development, with more planned.

Microsoft has launched 38 cohorts of their mid-level and senior-level leadership development programs to date, with further staged cohorts planned for next year and beyond. Differentiated Development Programs have positive effects on employee experience and career development because they provide psychological safety for learning and growth, but they are only one offering in the larger suite of learning and development programs for all employees. The nine-month experience is opt-in. Direct managers of all participants are required to participate in a parallel track to support and grow how they understand and support their employees. Microsoft continues to invest in dedicated leadership development programs for executives and dedicated talent discussions are happening in every organization prior to an employee's promotion to senior roles.

As of May 2022, Microsoft is 102% of the way to its goal for Black and African American people managers (below director level), and 87.9% of the way for Black and African American directors+ (people managers and individual contributors).

RESTRUCTURE INTERNAL PROMOTION PRACTICES THAT DISPROPORTIONATELY AFFECT EMPLOYEES OF COLOR

Policies or engrained and opaque promotion processes can be barriers to the equitable advancement of employees. This is particularly true for Black employees and employees of color who have not been equitably represented in leadership and management roles historically, even when there is equitable representation at lower levels of the organization. Inequity and lack of representation often emerge in the absence of formal, transparent, and competitive processes for senior management and executive roles.

TO MAKE THESE PROCESSES MORE EQUITABLE, EMPLOYERS SHOULD:

- **Limit reliance on referrals:** Research shows that referrals disproportionately benefit white men.[10] Add to that, more than 80% of social networks are racially homogeneous, so if a company with majority white leadership is primarily tapping their professional networks, the candidate pool will likely resemble their backgrounds.[11] By contrast, a conscious recruiting process that limits reliance on referrals and ensures underrepresented groups are notified of open positions can help correct for embedded inequity.

- **Increase transparency and opportunity for open competition for job postings at all levels.** Posting jobs internally creates clear communication channels about the opportunities and the skills and qualifications needed to advance.[12] When jobs are not posted internally, only employees with existing access to leadership are typically aware of advancement opportunities. This means employees of color—or others who historically have had less access to leadership—will have less knowledge of opportunities to advance.

- **Formalize evaluation processes.** Without a formal process, people are prone to bias and revert to business as usual.[13] Biases can be reduced or eliminated through adherence to policies that establish clear criteria and create a fair and open process for advancement. Research shows that a well-defined internal policy coupled with fair and consistent administration can improve an employer's time-to-fill, cost-per-hire, and quality-of-hire metrics.[14]

PRACTICE IN ACTION:

Boeing historically filled many, but not all, manager and executive roles through internal promotion—reflecting a philosophy that invests in employees' long-term careers with the company. Sometimes roles at these levels were filled via direct placement or non-competitive inline promotions, which means most employees were unaware of the openings and therefore would not apply.

In 2022, Boeing added a two-pronged performance metric to the annual incentive approach for some of its largest annual incentive plans. The metrics are designed to reward open and equitable talent selections for manager and executive roles. A portion of the incentive plan is tied to:

- **Competitive Placements:** Increasing the proportion of requisitions for manager and executive-level roles that meet a definition of "competitive," which typically means the jobs are internally or externally posted requisitions.

> "WE'VE SET ENTERPRISE-WIDE TARGETS TO ENSURE AT LEAST 90% OF OUR MANAGER AND EXECUTIVE INTERVIEW SLATES ARE DIVERSE, AND THAT WE REDUCE THE PERCENTAGE OF DIRECT PLACEMENTS FOR ALL MANAGER AND EXECUTIVE JOBS.
>
> THESE TARGETS INCENTIVIZE TRANSPARENCY AND EQUAL OPPORTUNITY—THE FOUNDATIONS OF A HEALTHY, SUSTAINABLE CULTURE."
>
> —SARA BOWEN, **VICE PRESIDENT, GLOBAL EQUITY, DIVERSITY, AND INCLUSION**

- **Diverse Hiring Slates:** Ensuring at least 90% of manager and executive interview slates are diverse. Boeing defines diverse interview slates for roles within the United States as candidate pools that include more than one gender or more than one racial/ethnic identity that advance to the interview stage in the selection process.

This approach addresses two elements of a hiring process that contribute to the diversity of Boeing's manager and executive population.

THE PURSUIT OF RACIAL EQUITY REMAINS URGENT

This report highlights several strategies employers can use to support equitable promotion and advancement practices. Such practices should open the door to meaningful, measurable benefits for Black talent—including increased visibility and feelings of belonging and better representation in senior roles. As companies continue to improve practices to recruit and hire Black talent, internal efforts must also focus on retention. Critical success factors include ensuring Black and minority talent see themselves in senior positions and have confidence that their employers have structures in place to ensure equitable advancement opportunities.

Employers should use these practices to hold themselves accountable and provide transparency about how they are pursuing and achieving equity goals. Working together we can make a difference for Black and other racial and ethnic talent in Washington state, and increase opportunities for all communities to thrive.

WERE focuses its pursuit of racial equity in the area where we can have the most impact—the workplace. Future spotlight reports will focus on reducing bias in hiring and recruiting, addressing equity in contractings, and increasing access to capital for Black-owned businesses. Follow our efforts and download additional policy and practice resources at **EMPLOYERS4EQUITY.ORG/RESOURCES**.

This report was built in partnership with social impact consulting firm **Kinetic West**.

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