



**New Decade, Same Challenge:
Overcoming the “Stuck State”**

February 2020

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New Decade, Same Challenge: Overcoming the “Stuck State”

Despite years of hard work and many good intentions, today’s workforce is still fraught with many of the same issues we’ve been talking about. Organizations around the country have been focusing on diversity and inclusion for a long time—for years, for decades. And yet, many organizations despite their best intentions, concerted efforts, and significant investments in people and programs are not achieving the results they desire. They may make some progress but, inevitably, see that progress stop, even backslide.¹

We call the position these companies often find themselves in the “stuck state” and much of our work revolves helping them get out of it.

Throughout this document you will find research that demonstrates the “stuck state” as well as best practices for overcoming the roadblocks and achieving sustainable progress.

Good Intentions ≠ Results

Corporate America has been spinning its wheels for decades, attempting to influence change by focusing on the numbers, and it hasn’t worked. Frequently when we work with our clients on this, there is a sense of shame as to why more progress hasn’t been made. It’s not that they don’t *want* to be inclusive to leverage the talent their workforce possesses. It’s not that they don’t understand that inclusion will drive better business results. And, it’s not that they haven’t been *trying* to create and nurture an inclusive culture. But, even with great intentionality, there is a stall in them moving key talent throughout the organization.

Sadly, there are two very recent public examples of this: The Academy of Motion Pictures Arts and Science (the Academy), which awards the Oscars, and the NFL.

In 2016, the Academy received overwhelming backlash after announcing the Oscar nomination list. The #OscarsSoWhite movement was born. Celebrities including George Clooney, Lupito Nyong’o, Don Cheadle and Reese Witherspoon called for greater representation both in front of and behind the camera. Will Smith, Jada

¹ *Inclusion: Still the Competitive Business Advantage*, Shirley Engelmeier, 2019

Pinkett-Smith, Spike Lee and Michael Moore took their outrage a step further and chose to boycott by not attending the 2016 Oscars.

In the weeks following the nominations, the Academy promised change was on the horizon. The Academy committed to doubling the representation of women and people of color represented by 2020. As of 2019, they have in fact met their goal of doubling their numbers. However, with the 2016 numbers being staggeringly low, meeting their goal means that the current makeup of the Academy is only 32% female and 16% people of color. Compare that with the US population which is 51% female and 39% non-white, and even this progress seems to fall short.

On January 13, 2020 the Academy made their nomination announcement. After making some major strides last year, the nominations for the 92nd Annual Academy Awards are basically #OscarsSoWhitePart2. As competitive as the 2020 categories are, the exclusion of people of color and women proves that progress for underrepresented voices in film is moving at a glacial pace, with peaks and valleys and more stories from diverse voices needing to be lifted and put in the spotlight.² Only two of the 20 actors and actresses nominated for Academy Awards this year were people of color, and no female director was nominated in the directing category even though women directed four major films.

The Academy is clearly well-intentioned and even met their goals for representation. However, good intentions alone will not get you there. It begs the question of what is being done to recruit future Academy members, educate current members and continue to broaden the pool of films and talent that is considered by the Academy.



Image from variety.com

Another example of a well-known organization falling short on its well-intentioned diversity efforts is the NFL. Despite the fact that 70% of NFL players are Black, currently, there are only two Black head coaches and three coaches of color as the 2019/2020 season closes. The top avenue for selecting NFL head coaches is the pool of offensive coaches. However, with 32 teams in the NFL only two offensive coordinators and ten defensive coordinators are Black. In late June, the sleepest part of the NFL calendar, several of the sport's most prominent minority coaches and executives gathered at Morehouse College in Atlanta to try to dispel a persistent football myth: that there are not enough qualified candidates

² [Oscars Nominations Lack Diversity In Major Categories, Continuing #OscarsSoWhite Trend | January 13, 2020 - Deadline.com](#)

of color for the league’s coveted offensive coaching jobs.³ How can a population base of 70% Black players all with on-the-field experience not provide the necessary pipeline. It defies logic.

The lack of representation brings several questions to the forefront.

1. What are the criteria for becoming an NFL offensive coordinator? Do those criteria inherently exclude people of color?
2. What is being done to recruit a more diverse pool of offensive coordinators?
3. Are there other avenues the NFL should be tapping to diversify the pool of qualified head coaches (e.g. college head coaches)?
4. How might systemic bias or “the mini-me” phenomenon in NFL interfere with selecting coaches of color particularly black coaches?

These are just two examples of organizations that have the best of intentions but are reaching a “stuck state” and struggling to make the progress needed. If you think these two organizations are the outliers, research refutes this assumption. The representation of women and people of color in Corporate America still requires intentional focus in this new decade.

Broken Rungs

In the 2019 Women in the Workplace Report, McKinsey and Lean In found that women move up the career ladder in smaller numbers than men at every stage but lose the most ground early. The study of 329 companies found that while many companies see the value in having more women in senior leadership positions, the biggest obstacle women face is at their first step to manager. Rather than a “glass ceiling,” women are, in fact, facing broken rungs at the bottom of their ladder to senior leadership.



Image from WSJ.com

Five years in, we see bright spots at senior levels. But companies need to focus their efforts earlier in the pipeline to make real progress.

McKinsey & LeanIN, Women in the Workplace Report 2019.

A recent WSJ article explained that, although men and women enter the workforce in fairly equal numbers, men begin to outnumber women almost 2 to 1 at the first step up

³ Only Three NFL Head Coaches Are Black: It's Embarrassing'—December 31, 2019—NYTIMES.com

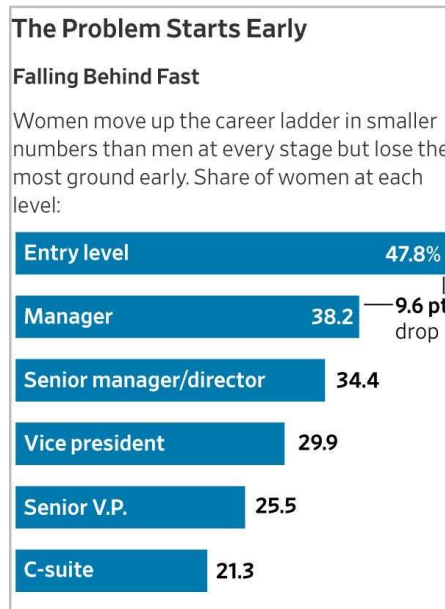


Image from WSJ.com

into management roles. Those management roles are key steps in the ladder to senior leadership positions. This broken rung early in the ladder will continue to perpetuate a shortage of women in leadership positions.⁴

While many will say that this trend is caused by women starting families, not asking for promotions or leaving the workforce, the research shows that is simply not true. The McKinsey and Lean In study found that men and women's attrition rates are near equal at every career stage. The study also revealed that 71% of women would like to be promoted (compared to 74% of men). In fact, the percentage of women who asked for promotions and raises was actually higher than their male counterparts.⁵

Unfortunately, the story for people of color is very similar. In a 2018 study, *Delivering Through Diversity*, McKinsey examined data from 366 companies. The study found that companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have better than average financial returns.⁶ Despite the research showing that organizations with ethnically diverse representation are more profitable, we see a corporate pipeline that does not support achieving that ethnic diversity at the top. In 2019, people of color accounted for just 13% of SVP level and C-Suite positions.⁷

In the McKinsey data on the next page, you'll see that white men's gain from entry level to manager (10%) is directly at the loss of both white women and women of color (9% combined). Those initial gains increase even more significantly throughout their journey to the C-suite, as men of color also demonstrate a decline in numbers represented at senior manager/director levels and beyond.

⁴ *Where Women Fall Behind at Work: The First Step Into Management*, Wall Street Journal, October 15th, 2019

⁵ *Women in the Workplace 2019*, McKinsey & LeanIN, October 2019

⁶ *Delivering Through Diversity*, McKinsey, 2018

⁷ *Women in the Workplace 2019*, McKinsey & LeanIN, October 2019

REPRESENTATION IN THE CORPORATE PIPELINE BY GENDER AND RACE

% OF EMPLOYEES BY LEVEL IN 2018¹



¹Due to rounding, representation by race and gender may sum to 101 percent or 99 percent within some levels. ²This represents percentage point change. ³The small numbers at the executive level, combined with this study's methodology, which takes the average of companies, means that findings at the executive level are more sensitive to individual company variation.

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LEAN IN

How Did We Get Here?

With large organizations like the NFL and the Academy of Motion Picture Arts & Sciences publicly committing to diversity as a focus, and research that demonstrates the business case for more diversity in executive leadership, you may be left with one big question. How did we get here? Why does the pipeline still show significant underrepresentation of women and people of color at every level? There is no single answer, but a confluence of factors leading to these outcomes.

1. Good intentions and goals have not been translated into sound strategies to achieve those goals. An intentional focus and strategic approach are needed to achieve the progress these organizations are striving toward.
2. Leaders have used faulty approaches to identifying potential. Relying on intuition, past experience and current performance as indicators of potential has led to a seemingly smaller pool of “qualified candidates” to develop.⁸
3. Unconscious bias training has been conducted with a “dip and done” approach that simply does not work. The leaders who are responsible for developing diverse talent are not being properly equipped with the skills and knowledge they need to effectively do so.
4. Leaders have been allowed to default to “they are just not ready.” Not enough organizations are asking “why aren’t they ready? What steps did you take to get them ready?”

⁸ *To get diversity right, get potential right*, Egon Zehnder, January 2017

5. Accountability is missing for preparing talent in the pipeline. This preparation includes both those who get the special projects and development assignments as well as those who get promoted.

All these factors have contributed to the lack of progress and “stuck state” we are still facing in 2020. So, you might be asking where do we go from here?

Pushing Past the “Stuck State”

It wasn't just one thing that led us to this “stuck state” and it is not just one thing that will help us push past it. Making real progress on diversity at every career stage will require intentionality and a strategic approach.

Many organizations have specific goals for diverse representation at the executive level. However, they lack the holistic strategy to achieve and sustain their desired results. Once goals are established organizations need to map out the large steps needed to achieve those goals. Then they need to dive even deeper to address the small steps required to achieve each of those larger milestones.

An effective strategy begins by looking at the drop off happening at the first step into management. Leaders need to be held accountable for readying talent for the next level—not just at the first step but through the highest levels of the organization. A multi-tiered development approach should include direct feedback, identification of skills needed, development and education opportunities, stretch assignments and creating visibility to leadership.

Lastly, and possibly most importantly, senior leaders need to be equipped with the skills and tools required to effectively develop this high potential talent. This begins with exploring their unconscious biases. However, we cannot stop at creating awareness of that bias. Recent research proves that unconscious bias training focused on awareness alone is completely ineffective.

The underlying flaw with unconscious bias trainings is that behaviors, not thoughts, should be the target of diversity and inclusion interventions.

Bloomberg Business, Implicit Bias Training Doesn't Work, Jan 4, 2020.

InclusionINC's Inclusive Leader Executive Development

It is critical to link awareness of unconscious bias with the practical skills building needed for leaders to create a culture of inclusion in their organizations and to effectively develop high-potential diverse talent. “The journey to becoming an inclusive leader and organization occurs along a continuum that requires self-assessment, honest

assessment and a commitment toward change.”⁹ InclusionINC approaches this work with an immersive experience through our IL360 and Executive Development Program. The success of this program comes from a combination of methodologies.

1. The Inclusive Leader 360 Assessment measures a leader’s demonstration of 48 inclusive leader competencies and reveals disparities in responses given by white men and women, people of color and different generations.
2. One-on-one executive coaching allows for a tailored journey for each leader. InclusionINC Executive Coaches give direct feedback about the leaders’ biases, strengths and what they need to work on. This allows each leader to create their own unique action plan.
3. Facilitated group dialogue sessions allow leaders to begin to be aware of their own gaps in understanding (“know that they don’t know”). Leaders typically begin the process thinking that they have everything figured out. Through deep group exploration and direct conversations, leaders begin to have breakthroughs and realize the intentional work that is needed to create a culture of inclusion.
4. Reflection time and assigned readings are given in-between group dialogue sessions. This allows leaders to truly process what they have learned and come to the next session prepared to have the hard conversations that will create profound change in their organizations.
5. In addition to their personal action plans, an organizational action plan is developed by the leader groups to identify what the group is committing to and how they will hold each other accountable.

It is possible to move beyond the “stuck state” to build an organization that is poised to leverage the unique skills, insights and input of their workforce through a truly inclusive culture. But it demands different approaches than what has been used in the past.

It demands a closer, and more critical, look at employees’ journeys along the ladder to the highest levels of leadership. It demands strategic, and concerted, efforts to prepare employees—and particularly women and people of color—to move into higher level positions. And it demands a focus on developing leaders’ ability to develop high potential talent, moving beyond awareness of unconscious bias to actually taking steps to remove that bias to build a culture of inclusion.

To learn more about InclusionINC’s IL360 & Executive Development Program visit our website at www.inclusion-inc.com.

⁹ *Becoming an Inclusive Leader: How to Navigate the 21st Century Global Workforce*, Shirley Engelmeier 2014

Further Readings

Shirley Engelmeier. **Inclusion: Still the Competitive Business Advantage.** 2019
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