

Employee Engagement

Other Valuable Reading on the Intersection of D&I Initiatives and Engagement

How Do Resource Groups, Mentoring & Accountability Drive Engagement?

Employee engagement can be a barometer of how well diversity efforts have been implemented. In the workplace, high employee engagement leads to increased retention rates and higher productivity, which helps to drive down costs of replacing employees and lost productivity. In the marketplace, high employee engagement leads to better customer satisfaction. So how can organizations retain their talent and empower them in the marketplace? Here are three ways our data demonstrate that diversity helps increase employee engagement.

➔ Senior-Management Accountability

The CEO and his/her direct reports serve as ambassadors for employee engagement. Engagement of senior management is often contagious, reverberating throughout the entire workforce. Our research shows that when the CEO and his/her direct reports are held accountable for diversity-management results, it sends the message that diversity is a business imperative. The benefits of accountability are twofold. The

company benefits from increased employee engagement across the board, resulting in positive results such as an increase in the diversity of recruits or the diversity of those promoted, or even increased the diversity of senior management.

Sodexo is proof of these goals working. In the DiversityInc article “Linking Executive Compensation to Diversity Goals” (www.DiversityIncBestPractices.com/exec-comp), Sodexo notes that it

links 25 percent of senior-executive pay to diversity goals and 10 percent to 15 percent for all bonus-eligible managers. The 2012 DiversityInc Top 50 averages 12.2 percent, up from 11.5 percent in 2011. Encompassing the diversity goals are process metrics that impact behavior change and outcomes, such as being a mentor or executive sponsor of a resource group. There are representation goals, such as recruitment and promotions, that are based on the availability of women, Blacks, Latinos, Asians and American Indians for the area and the position. Dr. Rohini Anand, Senior Vice President and Global Chief Diversity Officer, cites Sodexo’s employee-engagement scores, which have gone up dramatically and have been driven mostly by increased scores from women, Blacks, Latinos and Asians.

At Sodexo, Accountability for Diversity Metrics Yields Improved Engagement

A Sodexo survey of more than 1,800 resource-group members reported that participation:

➔ Helped in achieving a promotion

15%

➔ Increased exposure to senior management

51%

➔ Increased desire to stay with Sodexo

55%

➔ Increased engagement

74%

Up to
25%
of Sodexo’s executive-team bonus is connected to performance on diversity scorecards, including diversity metrics for resource groups

Source: Sodexo Network Group Commitment Survey, 2010

Employee Engagement

Resource Groups

For the DiversityInc Top 50, resource groups serve as a key measurement of employee engagement. Participation in resource groups gives employees many advantages in navigating their careers. Participation in the groups promotes career growth by exposing employees to the right people and the right projects. Ninety-six percent of DiversityInc Top 50 companies have senior executives leading each group. Resource-group participants have the opportunity to showcase their talents to senior executives and in many cases are exposed to a senior executive they might otherwise not have come in contact with, and vice versa. This kind of exposure creates bidirectional engagement.

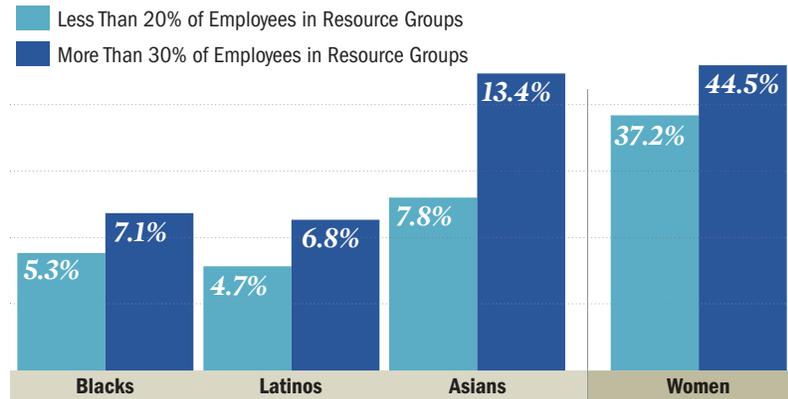
Senior executives find that new talent and participants are recognized for bigger projects. A resource-group study by Sodexo found that the top two reasons its employees joined resource groups were for networking and to enhance professional and personal development. An Aetna study on employee engagement found that while overall engagement of employees increased from year to year, those in resource groups had significantly higher engagement scores than those not in the groups. Measures

Mentoring

Our data show that mentoring is a vital component in driving employee engagement. Companies that excel in diversity management use their formal mentoring programs to identify and nurture high-potential employees. The mentoring programs are formal and cross-cultural, meaning the mentor is of a different race, gender and/or sexual orientation than the mentee. Seven years ago, 10 percent of the DiversityInc Top 50 had mentoring programs with cross-cultural components. Today, 96 percent of DiversityInc Top 50 companies include cross-cultural components in their mentoring programs.

Higher Resource-Group Participation = More Promotions

Management Promotions



Source: DiversityInc Top 50

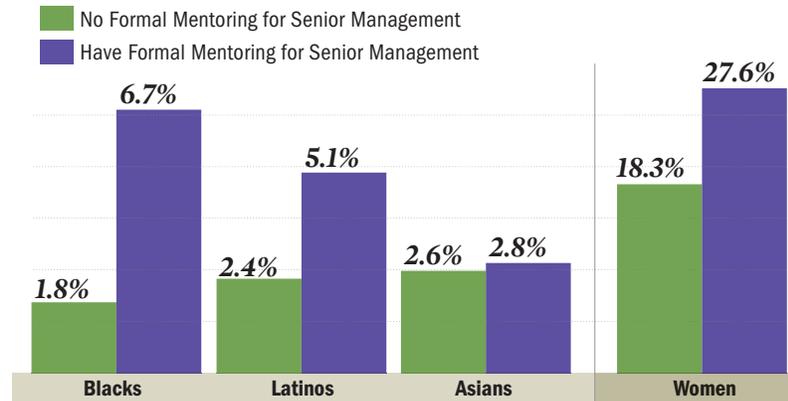
of manager effectiveness and customer focus also showed the biggest difference between those in resource groups and those not in the groups.

It also helps when a resource group is specifically tasked with increasing engagement and promotions of Blacks, Latinos, Asians or women, such as at Kraft Foods. The company started a resource group for women in sales with

the objectives of increasing the percentage of women in key sales positions and elevating them in the company. The group convened annually with more than 80 women leaders. Kraft Foods reported increases in promotions of women in sales by 39 percent. To read more about how the company uses its resource groups, visit www.DiversityIncBestPractices.com/increase-promotions

Formal Mentoring Means More Diversity at the Top

Top Level of Management (CEO and Direct Reports)



Source: DiversityInc Top 50