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Breaking the Logjam on Diversity and Inclusion



Jannice Koors

SENIOR MANAGING DIRECTOR

A discussion on the increasingly urgent topic of diversity and inclusion with Jannice Koors, senior managing director and president of Pearl Meyer's Western region.

Q. Directors are concerned about diversity and inclusion but it's a deep and wide subject. How do they get started?

A: It can be daunting. Boards cannot make these sweeping changes within organizations, but they can help management strategize policies, protocols, and practices and can hold management accountable for progress.

While a holistic approach to D&I goes well beyond the issue of pay, there is one concrete action the compensation committee can take to get the ball rolling. Insist on seeing the results of a gender and racial pay equity/pay gap assessment. "Pay equity" is defined as equal pay for comparable work and is governed by law so most companies are unlikely to have systemic inequity. However, undertaking that statistical analysis will highlight a problem if one exists.

By contrast, many companies will find they have a "pay gap," which measures the unadjusted difference in pay among various groups. The pay gap analyses and the corresponding detailed information about your employee demographics provide a baseline for measuring improvement and jump-starts the D&I dialog amongst the board, management, and senior HR teams.

Q. How can directors think about the relationship between diversity and inclusion?

A: While the two terms always get lumped together, they're not synonymous. Think of diversity as the "what" and inclusion as the "how." They don't necessarily move in lock-step. You may succeed at recruiting a diverse workforce, but if many feel marginalized, they will leave. Conversely, your geographic location may limit the diversity of your workforce, but if those in underrepresented groups have a seat at the table and can grow and prosper within the organization, you're making progress on inclusion. As a board, it's

important to set measures and goals for both diversity and inclusion.

The current unrest highlights the work still to be done.

About the Author

Jan brings 30+ years of executive compensation and governance experience, advising boards and management on strategic human capital decisions tied to long-term value creation.

About Pearl Meyer

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