



Chicago United

Advancing multiracial leadership in business

A SPECIAL REPORT ON DIVERSITY AND INCLUSION IN BUSINESS

Current Events and Culture in the Workplace

2015 HAS OPENED WITH A HEIGHTENED LEVEL OF AWARENESS about the need for more open conversations on the subject of race relations, spurred by events from Ferguson, MO, to increased attention at the national level on workplace diversity with Intel and Apple's recent investment announcements.

These events ladder up to two important themes in the larger diversity conversation – culture and talent – which will be the primary focus of this special report.

There has been increased discussion within Chicago businesses, including amongst our members, about supporting an engaged organizational culture by enhancing diversity and inclusion efforts. These efforts play an important role in laying the groundwork for an inclusive work environment that can lead to better collaboration, employee morale, and productivity. Discussions with key leaders serving on Chicago United's CEO Council revealed a focus on developing sustainable diversity and inclusion efforts by embedding positive practices into cultural standards.

Recognizing that there are still challenges to be addressed, we felt it important to make culture a key focus of our 2014 *Corporate Diversity Profile* (CDP) which was released this past November. The report, developed in conjunction with Ernst & Young LLP and the Federal Reserve Bank of Chicago, is themed – "Culture in Action" – and provides leaders insights and strategies for building the strong internal foundation needed for diversity and inclusion to succeed. The CDP includes a culture audit and inclusion toolkit that enables CEOs and diversity leaders to give clear and measurable direction to their organizations for how diversity and inclusion should be driven as a business imperative. You'll be able to read more about the importance of the role that culture plays in moving companies toward a more inclusion environment from our partner, Ernst & Young LLP.

With recent events, it is also important that leaders understand how corporate culture is impacted by race relations. There is a growing need to address the conversations about race that

are already taking place in the work environment and many companies in Chicago are exploring ways to do so in a productive and effective manner. As you will read, expert Judith Honesty discusses how, through honest and straight forward conversations, a supportive and inclusive corporate environment can be achieved.

The second theme of this report is – talent – more specifically, how companies are acknowledging the need to enrich the talent pipeline with diverse professionals and they are taking steps to do so. Chicago United continues to support the effort and we are in development of a fellowship program designed to provide young urban professionals the opportunity to gain valuable guidance and experience within the business community, leading to successful and sustainable career paths. In November of this year at our Bridge Awards Dinner, we will recognize 45 individuals who have achieved senior leadership in their organizations and are prepared to serve on the boards of directors of the Fortune 1000. They will join one of the most powerful groups of diverse directors in the country, Chicago United's Business Leaders of Color, who collectively have been appointed to more than 140 corporate directorships.

As we continue these pertinent conversations throughout 2015, I ask the Chicago business community to join Chicago United in turning this impactful dialogue into real action and results. I hope you'll join us in creating a more inclusive business environment which benefits all.



Gloria Castillo
President and CEO
Chicago United

A Culture Audit is the First Step to Driving D&I Transformation

By Warren Smith, Central Region Talent Leader, Ernst & Young LLP and Committee Chairman of the Corporate Diversity Profile Task Force



Warren Smith

“Culture eats strategy for lunch!” is a popular CEO rallying cry for those companies known for championing the soft skills as much as – if not more than – the hard skills. But with so many new studies, from McKinsey to Catalyst, showing that diverse teams actually lead to better financial performance, is it time to take a closer look at the culture within your organization?

A diverse and inclusive culture acknowledges – and capitalizes on – professional differences. Each one of us is unique, so it just makes good business sense to value and respect this fact. Diversity and inclusion (D&I) leverages these differences to achieve better business results. It creates an environment where all people feel, and are, in fact, valued, where they are able to bring their differences to work each day, and where they contribute their personal best in every encounter. The outcome: professionals grow individually and collectively as part of a high-performing organization – a necessity in today’s ever-competitive global marketplace.

Know thyself

As discussed in Chicago United’s 2014 *Corporate Diversity Profile* (CDP), a biennial survey measuring racial diversity of Chicago-area corporations released late last year in conjunction with



Ernst & Young and the Federal Reserve Bank of Chicago, a culture audit will provide leadership with a sense of where the organization stands – and where it wants or needs to be. It also identifies factors that influence employee behaviors that either support or infringe on organizational outcomes. To begin, leadership needs to identify the purpose

for the audit and the outcomes, develop a working definition of culture, and identify optimal methods for obtaining information. Audit results will help leaders conduct a gap analysis and develop strategies to bridge them. Armed with this information, leadership can then play a key role in driving

a diverse and inclusive culture. Adopting the following four behaviors will help managers lead inclusively and enable this all-important transformation:

- **Value difference**

Develop the habit of learning about differences and the experiences of stakeholders from diverse backgrounds. Make a personal commitment to embrace change and include stakeholder groups from diverse backgrounds.

- **Identify “insider” and “outsider” dynamics**

Understand the experiences of your team members and other stakeholders. Identify real and perceived barriers to their full engagement – as well as ways they feel respected, recognized, and inspired. Equally, assess any undesirable impact on team performance and organizational effectiveness. Leaders must better understand and embrace how they can change key behaviors and habits to fully engage all team members and optimize their experiences.

- **Practice and model inclusive learning and leadership**

Focus specific attention and action on the priorities identified in the culture audit. Close gaps in personal attitudes, behaviors, and priorities. Engage in conversations with peers, colleagues and clients about everyone’s personal change experience. Recognize and reward those who demonstrate the behaviors needed to create an inclusive environment — and challenge those who don’t.

- **Influence the culture**

Inspire cultural change by expecting, reinforcing and rewarding inclusive behaviors. Consistently serve as a credible role model and D&I champion within the organization. It is imperative for leaders to create widespread accountability for continued cultural transformation and inclusive standards.

As globalization fundamentally changes the business landscape, it is clear that only the highest-performing teams that maximize the power of different opinions, perspectives, and cultural references will succeed. Transforming and driving a diverse and inclusive culture will enable a competitive advantage.

Can Chicago Become the Most Diverse Tech Hub?



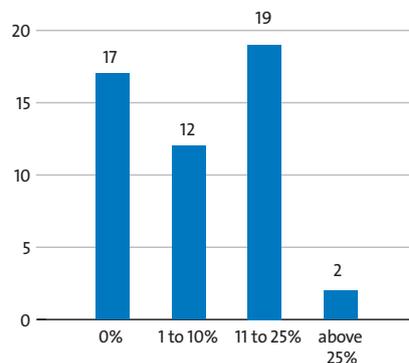
Once known as the heartland of manufacturing, Chicago is taking major strides towards becoming a world-class technological innovation center. According to a study conducted by the Illinois Innovation Council, Illinois ranks second in the nation in the number of high-tech

startups, no doubt in part due to Chicago's rich stakeholder engagement, Midwestern pragmatism, and collaborative spirit. The city also has one of the largest and most diversified economies, with more than four million employees, and a truly diverse workforce, something that will help Chicago differentiate itself from Silicon Valley and other established U.S. tech hubs.

Technology leaders in Silicon Valley have acknowledged their well-publicized diversity issues; however, until recently, they've only talked about needing to "do better." Tech giants, including Intel and Apple, are currently leading the charge towards diversity and inclusion. In January, Intel announced that it will dedicate \$300 million towards diversifying their workforce and attracting more women, African-Americans, and Hispanics to technology fields. Also making waves is Apple, which for the first time in its history will include African American and Latino-owned financial services firms in a \$6.5 billion debt offering, empowering minority firms and adding value to the company. Both announcements mark major breakthroughs for the business of diversity within the tech industry.

As the Chicago tech industry continues to boom, it will be crucial for companies to adopt racial diversity in their leadership ranks, on corporate boards, and in executive level management. Based on Chicago United's recent *Corporate Diversity Profile*, 34% of Chicago companies have no ethnic diversity within their executive ranks. Chicago tech companies, with a thorough understanding of the increasing diversity of the talent pool, will be well positioned to fill their pipelines with board members and executives that will more closely resemble their primary buyers and influencers, and who will directly impact their bottom line.

Distribution of Minority Executives Across The Top 50 Public Chicago Companies



Source: Chicago United 2014 Corporate Diversity Profile

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SAVE THE DATE: November 12, 2015

**THE CHICAGO UNITED
BRIDGE AWARDS DINNER**

Presented by:



Guiding Conversations about Race in the Workplace

By Judith Honesty, Principal, Honesty Consulting and Master Trainer in VitalSmarts Crucial Conversations® Training



Judith Honesty

Events in Chapel Hill, NC, and Ferguson, MO, are just two recent chapters in the centuries-long conversation about race in the United States. Modern technology has increased the volume – both quantity and loudness – of these conversations but skill level is still lacking. Verbal discussions about race usually start politely; as emotions build polite veneers often peel and many supernova with self-righteous anger or implode into dense, icy silence. In the workplace, management and human resources (HR) handle the fall-out, attempting to resolve or at least mitigate the tension.

Many business professionals are challenged to build better understanding, better relationships and better results when talking about race and ethnicity in the workplace. When dealing with any issue where people hold opposing opinions, stakes are high, and emotions are strong. Those are three elements of a crucial conversation described in *Crucial Conversations: Tools for Talking When Stakes Are High*, a *New York Times* bestselling business book on which VitalSmarts Crucial Conversations training is based. While I don't want to suggest that Crucial Conversations® training is a panacea or that I am a Zen master of talking about race, I do want to relate lessons I've learned using skills I teach as a Master Certified Trainer in VitalSmarts Crucial Conversations® (1) training that can aid professionals guiding conversations about race in the workplace:

Fix me first

The first task when addressing race or any challenging topic is to prepare yourself. Before addressing a situation with a colleague(s) consider:

- **What do I really want?**

“They just don't understand” is a common refrain in conversations about race. Yet our behavior – as participants or mediators – often seems more focused on forcing acquiescence or repressing conflict than on building understanding. Unconsciously, our motives slide into fight-or-flight mode and our behavior follows. But when we consciously consider what we really want in the interaction – for ourselves, for others, for the result, and for the relationship – we choose words and actions that result in better outcomes.

(1) Crucial Conversations® is a trademark of VitalSmarts, L.C.

- **How can I stay calm?**

The stories we tell ourselves about “race” influence our interpretations, escalate our emotions and often contribute to conversational explosions or implosions. Separating stories – judgments, conclusions, and attributions about what we've seen or heard – from facts – what we've actually seen or heard – helps people manage emotions and approach the conversation more openly. This isn't about bludgeoning others with your facts! It's about acknowledging that you don't have a monopoly on the truth and other interpretations are possible.

Then help others

- **Calm the fears**

Race – along with sex, politics, and religion – is one of the four horsemen of the conversational apocalypse. Regardless of ethnicity or color, when talking about race many fear that we will somehow be harmed. To allay that fear, tell others that your goal is not to hurt them; instead, you want to help all parties get to a better level of understanding. This skill, known as contrasting, has been almost magical in my most challenging conversations, not just because it calmed the fears of others but also because it calmed my fears. It helped me focus on the good that I wanted for all.

- **Let's all take a moment**

Fear of being harmed in conversations about race affects more than our emotions. Our physical bodies react to that fear with a rush of adrenalin, which helps us focus on the incoming threat. The challenge is that heightened adrenalin reduces our ability to sense anything other than threat. We're ready to fight or flee from the threat but we're blind to any collaborative options. That's when a pause in the action might be most effective. This is not intended to suppress the conflict. Instead suggesting that all parties take a brief (i.e., at least 15 minutes) pause gives the adrenalin a chance to dissipate and the participants a chance to return to the conversation committed to use their best skills to try and reach a better outcome.

Race emphasizes our differences. Our desire for something better is our common ground. These skills can help all involved facilitate better outcomes and understanding for others and ourselves.