



Fuel50 Global Talent Mobility Best Practice Research

Diversity, Equity & Inclusion

Part 5/6



Fuel50 conducted best practices research on current talent mobility experiences, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world.

This report is the fifth of a six-part series detailing the key findings from our research study and extensive analysis of workforce and talent mobility trends.

The goals of the study were as follows:

- To understand current trends in internal talent mobility and workforce reskilling across the globe
- To learn what best-in-class career growth and talent mobility looks like today
- To ascertain the key imperatives for talent mobility in the coming decade

Read more about our research design and audience [here](#).



Diversity, Equity & Inclusion

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In the current era of pandemics and social movements, we are seeing a shift in the way people view disparity and inequality across organizations.

We asked HR Leaders from over 200 organizations across the globe a series of questions about the importance of diversity, equity, and inclusion (DE&I) in their organizations.

We were encouraged to find that 80% said enhancing and improving their DE&I practices is one of their organization's strategic goals and 70% of HR Leaders have recruitment goals for hiring a more diverse employee population.

At Fuel50, we are passionate about diversity, equity, and inclusion. In the [DE&I Edition of our quarterly Fuel50 Capability Trends Report](#),¹ we observed the world's collective awakening in the wake of the Black Lives Matter (BLM) movement. At the time of writing, a large proportion of the global population was standing in solidarity and committed to advancing equal human dignity and respect, diversity, inclusion, racial equality, and peace.

We predicted that discrimination or unfair treatment within organizations across the globe would be called out, with organizations being held accountable for making it right. We stated that the global BLM movement re-established diversity, equity, and inclusion as a top priority for all organizations.

As we reflect on this now and consider our research findings, however, it is clear there is still much more work to be done. Only 50% are reporting publicly on their employee gender and diverse background representation, suggesting only half feel the need to make DE&I improvements before sharing these metrics externally.

As stated by Forbes, DE&I is no longer just a moral or cultural imperative — it's a business imperative. And organizations that ignore it do so at their own peril.²

Why Does Diversity Matter?

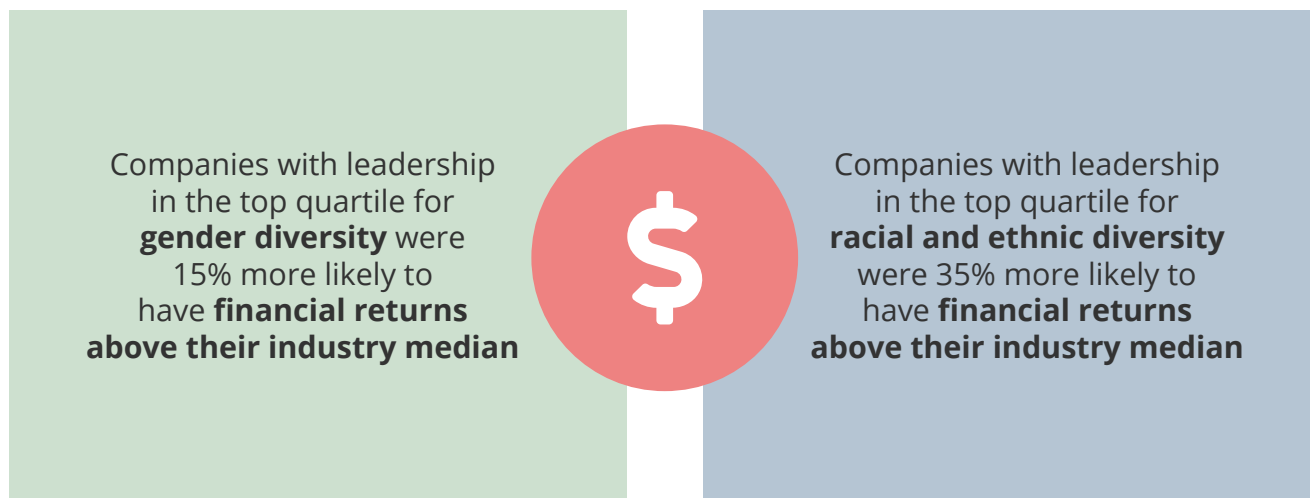
Diversity, equity, inclusion as well as the evolving considerations around “belonging” are becoming increasingly top of mind for high performing organizations. But why is it so important, and why are more organizations prioritizing this?

Our research found “DE&I Best In Class” organizations saw:

- Better representation of females at all levels
- More equity in remuneration (financial and non-financial)
- Increased rates of promotion
- Increased engagement across diverse backgrounds

According to Deloitte,³ organizations that recognize diversity, equity and inclusion as a business priority are:

- **6x** more likely to be innovative
- **8x** more likely to have overall better business outcomes
- **2x** more likely to meet or exceed financial targets
- **6x** more likely to be agile
- **3x** more likely to be high performing



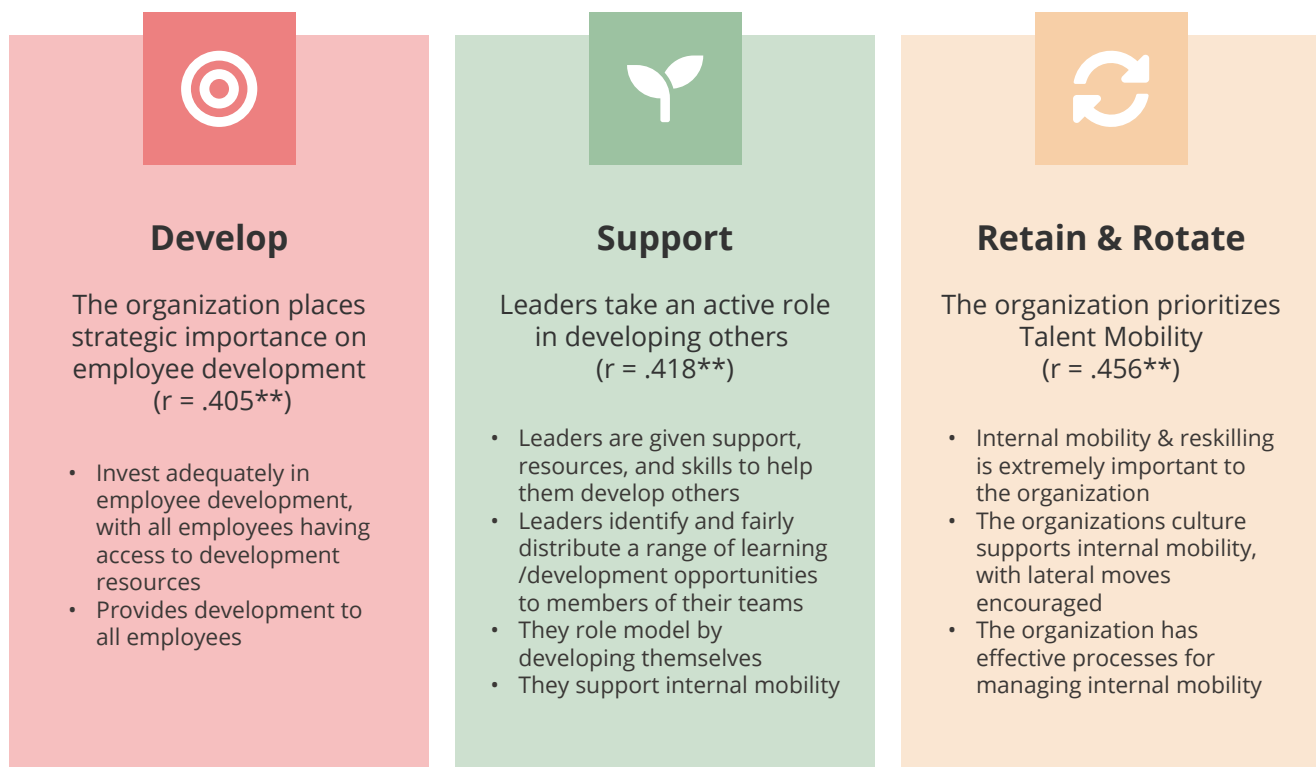
Source: McKinsey & Company

A McKinsey & Company report⁴ looked at the top management and boards of 366 public companies in various industries in Canada, Latin America, the United Kingdom, and the United States. They found:

- Companies with leadership in the top quartile for gender diversity were 15% more likely to have financial returns above their industry median
- Companies with leadership in the top quartile for racial and ethnic diversity were 35% more likely to have financial returns above their industry median

What Do “DE&I” Best In Class Organizations Prioritize?

Our research identified organizations that represented the top 15% of our sample in terms of having above industry average representation of both females and employees of diverse backgrounds. These organizations are defined as “DE&I Best in Class”.



Source: Fuel50, Global Talent Mobility Best Practice Research

How Do “DE&I Best In Class” Organizations Operate?

Best In Class organizations seemed to have similar strategic people priorities compared to other organizations, but were investing differentially in mentoring programs, stretch assignments and project enablement (gigs) particularly for their diverse populations.

They prioritize (88%):

1. Leadership
2. The Future of Work
3. Employee Experience
4. Employee Reskilling
5. Internal Mobility

They invest in (88%):

1. Mentorship
2. Project Participation
(Gigs & Stretch Assignments)

Six Traits of Inclusive Leaders



Source: Deloitte

Somewhat unsurprisingly, we found that leaders play an important role in enhancing levels of diversity, equity, and inclusion within their organizations. Where leaders are more inclusive, the levels of diversity, equity, and inclusion are higher.

Best In Class Diversity

With diversity being a high priority across almost all our responding organizations, we wanted to explore what characteristics unite those organizations that we class as “DE&I Best in Class” versus those that we class as “Low Diversity.”

We wanted to pinpoint where we are seeing best practiced diversity across respondents and ascertain what organizations are flourishing compared to what organizations are struggling.

“DE&I Best in Class” organizations are typically:

- From Professional, Scientific and Technical Service industries (50%)
- Less than 100 employees (38%)
- Based in North America

There is also a positive correlation between talent visibility and diversity, equity, and inclusion. Organizations with fewer people are more likely to have a better handle on their talent, and so they can promote and ensure diversity across all levels. Also, as one would expect, driving change is far easier in small organizations.

“ There is a positive correlation between talent visibility and diversity, equity and inclusion.”

“ Organizations that prioritized and had higher diversity also prioritized internal recruitment.

An evolving trend emerged from our research that those organizations who prioritized and had higher organizational diversity, also prioritized internal recruitment practices.

These organizations tended to fill roles via internal recruitment over external recruitment, look at internal candidates first when filling open positions, and the majority of their senior leadership roles were filled internally.

In other words, having an active view of your employees, and building levels of diversity from the inside rather than recruiting externally, drives success.

Low diversity

- The highest proportion of those organizations classified as “Low Diversity” are from the Manufacturing industry, followed by Professional, Scientific and Technical Service industries
- 10,000+ employees
- Based in North America

Less than 1 in 3 manufacturing professionals are women in the United States despite representing nearly 50% of the overall workforce.⁵

With plenty of room for improvement, organizations in the Manufacturing industry must focus on building an inclusive culture that fosters growth opportunities and clear pathways to future careers, in addition to recruiting diverse talent.

They must live these values at every level of the business to improve diversity metrics, and it all starts with leadership.

A recent article by Deloitte highlights that progress is already beginning, “DEI has risen to the forefront of the manufacturing industry. ... Manufacturers are moving quickly to build a workforce management strategy that expands diversity in their talent pipeline, fosters an inclusive culture that will retain diverse talent, and upskills their workforce for tomorrow.”⁶

It is also incredibly promising that many manufacturers are taking the National Association of Manufacturers’ Pledge for Action in the industry by 2030.⁷

Trane Technologies is one of the organizations leading by example and was recently named the third-best employer for women by Forbes,⁸ among those in the Engineering and Manufacturing industry.

Michelle Murphy, Vice President of Diversity & Inclusion and Talent Management at Trane Technologies, explains, “We’ve committed to increasing women in management roles globally and racial and ethnic diversity in the U.S. as part of our company’s overall 2030 Sustainability Commitments. We’ve led our industry in diversity and inclusion for more than 10 years, and these enhanced commitments are an example of how we continue to push past boundaries to advance our workforce and communities.”⁹

It is commitments like these that will continue to drive and positively impact the future of diversity, equity, and inclusion.

Reported Levels of Representation by Organizations

Diversity covers so many different facets of individual difference — Race, Age, National Origin, Ethnicity such as BIPOC (Black, Indigenous, Person of Color), Cultural Diversity, Gender, Sexual Appearance, Physical Ability and Mental Ability, just to name a few. For simplicity and to provide focus, our research focused on the current representation of gender and ethnicity in organizations.

To explore this, we asked HR Leaders to rate the levels of female and diverse background employees in their organizations today. They were required to indicate whether there was room for improvement, whether the current levels were satisfactory, or whether they believe they were above industry norms.

“ 70% said they actively promote diversity at all levels of the organization. 1 in 3 organizations said they need to improve their female representation, increasing to 1 in 2 at Senior Management and Executive Levels.

It was reassuring to learn that, at the organizational level, 70% of respondents said the prevalence of both females and employees of diverse backgrounds in their organization was satisfactory or above industry norms. Similarly, at the individual contributor level, 75% of respondents said they had satisfactory or above industry norm representation of females. And 65% said they had satisfactory or above industry norm representation of employees from diverse backgrounds.

However, the figures told a very different story when we asked HR Leaders to rate the levels of representation higher up the organization — specifically at the Management level, Senior Management level, and Executive Leadership level.

The Representation of Females at Management Level and Above

Despite 70% of respondents saying they actively promote diversity at all levels of the organizational hierarchy, the figures present a different story.

At the Management level, one in three organizations stated that they need to improve their representation of females. At the Senior Management and Executive level, this was considerably higher. Half of the organizations admitted they need to improve female representation.



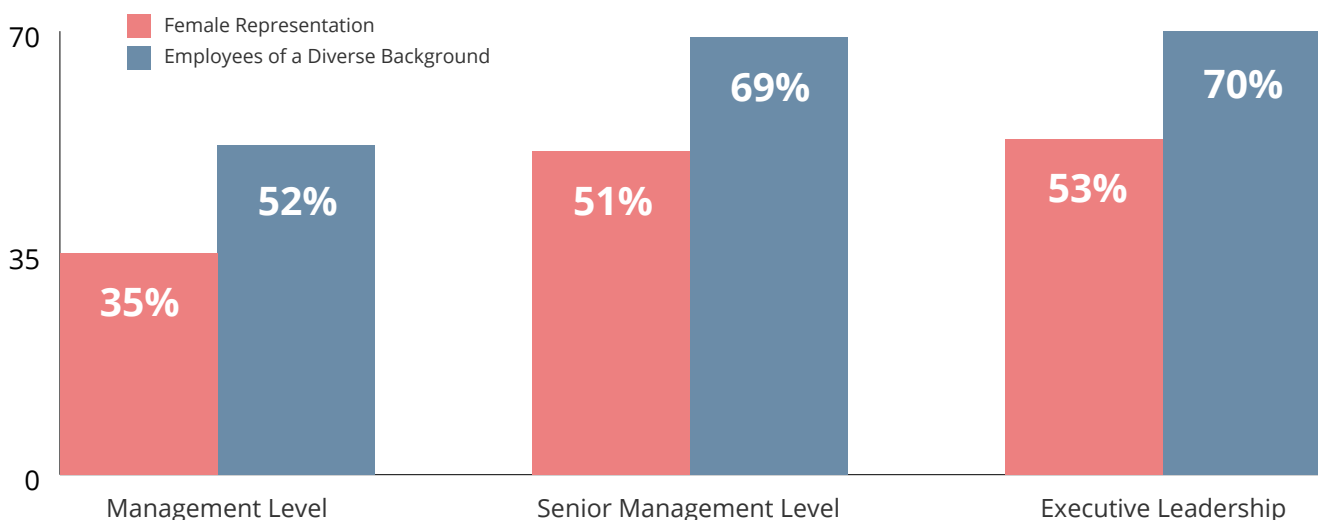
The Representation of Employees from Diverse Backgrounds at Management Level and Above

1 in 2 respondents said they need to improve their representation of employees from diverse backgrounds at the Management level.

And 70% of respondents stated that their organization needs to improve the representation of employees from diverse backgrounds at the Senior Management and Executive level.

“ 1 in 2 said they need to improve their representation of employees from diverse backgrounds at the Management level. This figure climbed to 70% at Senior Management and Executive levels.

Diverse Representation Needs Improvement



Source: Fuel50, Global Talent Mobility Best Practice Research

Are HR Leaders Observing Unfavorable Behavior Towards Females or Employees of Diverse Backgrounds?

We also wanted to explore whether there is any perceived preferential or discriminatory behavior directed towards females or employees of diverse backgrounds. To do this, we asked HR Leaders to rate the differences in employee engagement, tenure, promotion rate, and financial and non-financial rewards earned between the majority and our population in question.

For both females and employees of diverse backgrounds, most respondents said there is no observable or perceived preferential treatment towards one population over the other.

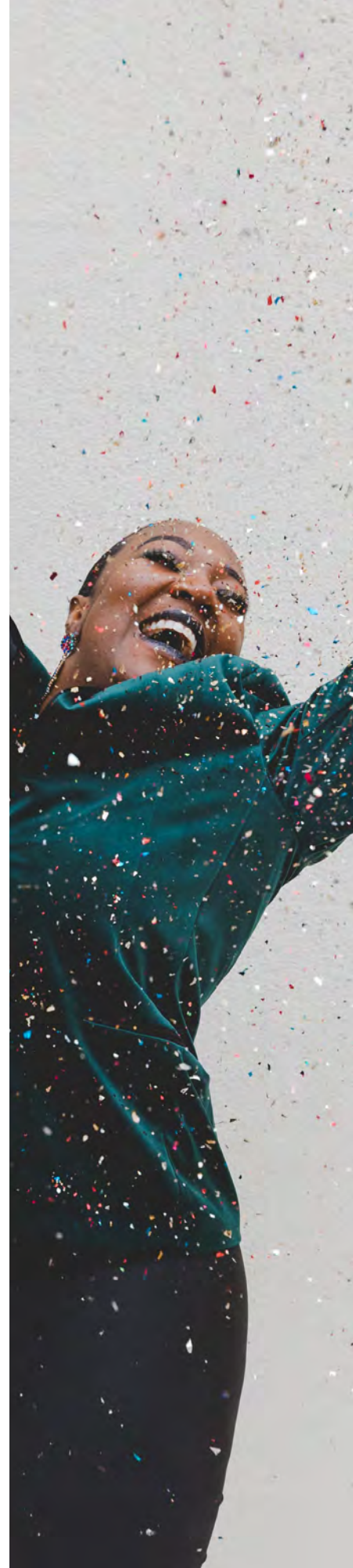
What Can Organizations Do to Create a More Inclusive Culture?

With 80% of organizations confirming that enhancing their DE&I practices is one of their top strategic HR priorities, it certainly seems that the intention to improve is there.

However, while many organizations are starting to take steps in the right direction, it is evident that the impact of these efforts is not yet being realized across most organizations globally.

Our findings show that there is still a lot of work to be done to increase levels of representation of both females and employees from diverse backgrounds, particularly at the Management level and above.

Alex Gorsky, chair and CEO of Johnson & Johnson, who has put DE&I at the center of his pursuit of sustainable competitive advantage, said, "The best innovations can only come if our people reflect the world's full diversity of individuals, opinions, and approaches."¹⁰



Four Essential Elements of an Inclusive Culture



Source: Deloitte

Fostering an innovative and inclusive culture that encourages gender diverse teams at all levels, and spotlights role models for women and underrepresented minorities, is a crucial component. For large-scale enterprises, this transformation can take a long time. And value realization can take even longer. However, thinking micro allows an organization to deconstruct larger transformation into several smaller initiatives that each have a well-defined objective and outcome.¹¹

According to Forbes, “D&I is the right thing to do. It’s the smart thing to do. It produces a tangible return on investment. At a time when our culture and politics have never been more divided, it’s a way for companies of all sizes to do the good and necessary work of fostering a more diverse, inclusive and equitable society.”¹²

All in all, there are many compelling reasons why organizations should focus their efforts on diversity, equity, and inclusion, such as improved financial returns, agility, innovation, performance, and better business outcomes. With the prevalence of remote work, organizations can now cast a wider geographic net for prospective employees and prioritize diversity in a way that wouldn’t previously have been possible. In other words, there has never been a better time for your organization to focus on diversity, equity, and inclusion.

About the Authors



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Anne Fulton the author of *The Career Engagement Game* (a blueprint for workforce agility), worked 20 years as an Organizational Psychologist, and is currently founder and CEO of Fuel50. Josh Bersin, Global HR Industry Analyst, describes Fuel50 as the leader in its thinking, conceptualization, and execution of the Talent Marketplace. Anne is recognized as a talent futurist, with her team supporting some of the world's leading organizations and brands like United Nations, Verizon, HPE, Coca-Cola and CVS, and many more who are innovating on the employee career experience. Anne is a true thought-leader in the HR space - and has been described by SIOP as "one of the best keynotes I have heard over the last three decades of attending conferences in our field."



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Marija is an Industrial/Organizational Psychologist and leads Fuel50's team of Workforce Architects. Marija is responsible for Fuel50's career architecture design approaches, and ensuring they drive business outcomes. Marija supports across Fuel50's clients, leading the design and delivery of career architecture. Marija's experience spans over 15 years of high impact consulting working in organizations such as IBM (London & Auckland), Kenexa, Imperial Tobacco and more. Marija is a sought-after speaker in the well-being, career management and organizational change space.

Research Design

Fuel50's Global Talent Mobility Best Practice Research was conducted to understand current talent mobility practices, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world. We invited both HR Leaders and Employees to complete the survey via social media posts, direct email reach outs to Fuel50's valued community of clients and thought leaders, and by asking attendees at our virtual FuelX Conference in April 2021 to respond.

Within the sample of HR Leader respondents, the largest proportion worked for organizations within the industries of Professional, Scientific, and Technical Services (25%), followed by Finance & Insurance (9%). 37% of the HR Leaders were from organizations with over 10,000 employees. The majority of respondents organizations had a presence in North America (74%), followed by Europe (44%) and Asia (42%).

Within the sample of Employee respondents, 41% have been in paid, full-time employment for over 20 years, with 35% identifying as being in an Individual Contributor/Specialist role and 29% as a Senior Specialist. Most respondents (41%) worked in the industries of Professionals, Scientific, and Technical Services.

More than half (53%) of the sample were in North America, with the remainder located in Australasia (Australia and New Zealand) 17%, Europe 11%, Asia 11%, and the rest of the world 9%. [Click here for more details on the research design.](#)





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Thank You

This report is the fifth of a six-part series detailing the key findings from our research study and our extensive analysis of workforce and talent mobility trends.

We would love to hear from you. If you have any questions, suggestions, or feedback, please contact us at hello@fuel50.com.

We look forward to sharing more learning with you!

Fuel50 is the AI Talent Marketplace solution that delivers internal talent mobility and workforce reskilling.

With hyper-personalized AI and a deeply embedded commitment to diversity and inclusion, Fuel50 activates your talent. Fuel50's ethical AI matches your people to opportunities in real-time, automatically maps your workforce architecture, and provides deep data insights for predictive talent and workforce planning.

Over 80 organizations around the globe saw immediate impact since deploying Fuel50, with up to 65% increase in lateral movement, 35% increase in internal recruitment, and 60% reduction in employee churn.

Fuel50 powers the workforce of the future.

Learn more: www.fuel50.com

