

Case Study On Tech Company

A long-time in a organisation Diversity Inc Top 50 mainstay, this company's CEO determined that diversity was a goal that had already been accomplished and an enhanced effort wasn't necessary, despite the presence of increased competition.

This company's lack of diverse representation at its senior levels didn't have a major impact five years ago because the other companies faced a similar lack of diversity. But as other progressive companies instituted strong efforts to develop diversity rapidly in their succession planning, this company did not and felt it wasn't necessary. The company also failed to keep pace with its competitors, which increasingly rely on employee-resource groups as both sources for talent development and to identify gaps in the corporate culture that need addressing.

Leadership at the top of the organization remains all white and 90 percent men, while other companies on the list have made significant inroads. The 2010 Diversity Inc Top 50 average 14 percent Blacks, Latinos and Asians and 24 percent women at the top level and those percentages increase each year and at a higher rate than companies not on the list.

This company has seen its percentage of employees participating in employee-resource groups cut in half (from 10 percent to 5 percent) while the Diversity Inc Top 50 average has increased from 16 percent to 24 percent in the last year alone (and was 5 percent five years ago).

The Conclusion: The lack of diversity at the top level and at the succession-planning level right below the CEO's direct reports is sending a clear message to executives throughout the company that they need to go elsewhere if they want a top-tier job. That is creating a spiral effect that inhibits executive innovation to fix this.

It trickles down to all levels, evidenced by the participation in employee-resource groups and the difficulty this company has had finding leaders for its ERGs. Where its ERGs once were responsible for creating ad campaigns that resonated with the Black and Latino markets and directly increased revenue, today they are mostly used to create heritage festivals and attend college fairs.

The company needs to start a concerted internal campaign about the specific benefits of joining an ERG, including leadership-development training, career advancement through exposure to senior executives, and the ability to have your ideas on innovative business solutions heard. Personal videos on the intranet are a very effective way of reaching potential ERG members.