



"Improving diversity and solving the talent shortage throughout STEM are two interconnected challenges. As the world's leading HR services provider, we've witnessed — and helped — employers struggling with both. However, driving meaningful, long-lasting change will require an industry-wide effort. That's why we assembled this white paper and organized the CEO STEM Allies event, incorporating input and perspectives from accomplished industry leaders with career-long commitments to diversity and inclusion. Our goal is to provide employers with the insights they need to advance the conversion and take meaningful action to improve diversity and fortify the future talent pipeline in STEM."

Graig Paglieri

CEO, Randstad Technologies Group Managing Director, Global Professionals



"To advance equity, diversity, inclusion and accessibility (EDI&A), a company needs a complete understanding of how diversity is represented within its workforce and recruitment efforts. It is more than lofty platitudes on a company's website — EDI&A is embedded in the pulse of the organization. Companies should identify underrepresentation opportunities, use metrics to report on the amount of diverse candidates hired and measure the number of executive sponsors acting as advocates. A host of social challenges have sped up digital transformation in the STEM workforce and many are wondering how we will achieve unity on a positive path forward. Through this whitepaper I hope you will find helpful insights to aid your organization's own diversity efforts."

Audra Jenkins

Chief Diversity and Inclusion Officer, Randstad North America

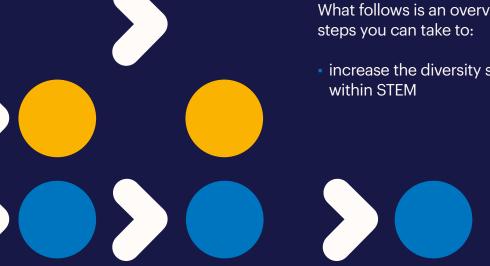
diversity takes center stage

You're probably familiar with many of the reasons for building a more diverse workforce:

- Working in an equitable, diverse, inclusive and accessible (EDI&A) workplace is essential for many job seekers.
- Inclusive companies are 60 percent more likely to outperform their peers due to more effective decision-making.
- Diversity promotes greater productivity, engagement and trust which reduces turnover.

These are all great reasons for building a diverse, equitable, inclusive and accessible workforce, but there's another reason that gets less attention: In our current environment, a widespread STEM talent gap exists that organizations are struggling to address. Building a more diverse workforce offers organizations access to a pool of potential STEM candidates that can fill some of the roles they've been unable to fill.

In practice, the actual creation of a diverse workforce can be challenging to some organizations. Tried-and-true sourcing tactics might not prove effective for building diversity. Hiring teams must rethink how to appeal to new, more heterogeneous audiences and broaden their sights. Just because the challenges are new, however, doesn't mean they are insurmountable. All types of organizations are successfully closing their diversity gaps while grooming new talent ready to contribute at all levels of their organizations.



What follows is an overview of the status of diversity-building efforts, and thoughts on steps you can take to:

- increase the diversity slate
 create an inclusive culture
 within STEM
 within your organization
 - provide skilling opportunities tied to upward mobility



the financial and broader economic benefits of diversity are compelling:

21%

of companies with highly gender-diverse teams surpass their peers in profitability

43%

of companies with diverse boards realized higher profits

87%

of the time, diverse teams make better decisions than individual decision-makers

70%

how much more likely a diverse company is to successfully enter new markets

26%

how much the global GDP could increase if the global workforce became equally gender diverse



progress in building diversity has been slow

Over the past 25 years, Black and Hispanic participation in the STEM workforce has only gone from 6.6 percent to a mere 11 percent. For women, those numbers are not much better, going from 22.9 percent to 28.4 percent. It's estimated that if conditions don't change, it will take another 60 to 75 years to attain proportional representation of all groups in the STEM workforce.

The Alliance for Board Diversity (ABD) and Deloitte recently conducted a <u>joint study</u> that found the number of Fortune 500 companies with over 40 percent diversity on their boards is nearly four times higher than it was in 2010. Sounds like progress, right?

here's the discouraging news:

At the current pace, it will take until 2074 before the number of Fortune 500 board seats held by minorities meets the Alliance for Board Diversity's goal of a 40 percent board representation rate.

In the wake of the murder of George Floyd in May 2020, U.S. corporations pledged to spend \$50 billion on racial equity. According to the plans, these funds were to be allocated among donations to civil rights organizations, targeted investments in communities of color and revamping of corporate internal recruiting and training programs.

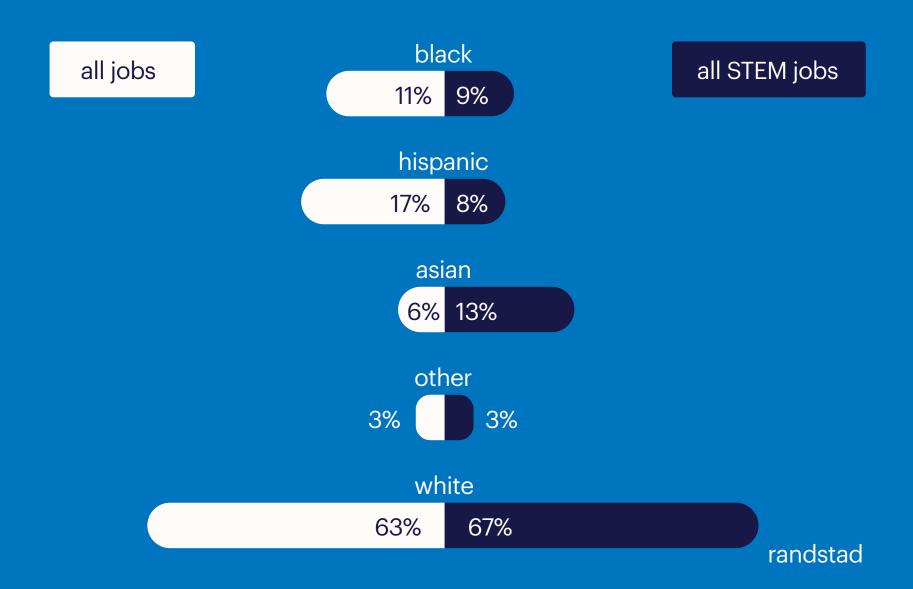
again, more sobering news:

Only \$250 million has actually been spent or committed to a specific initiative — that's less than one half of one percent of the total pledge.





black and hispanic workers <u>remain underrepresented</u> in the STEM workforce





even though diversity in the U.S workplace has improved significantly over the past 20 years, there is still much progress to be made:

7.4% the percentage of Fortune 500 companies that have a woman CEO
the median usual weekly earnings of full-time working women compared to full-time working men
the percentage of women of color holding C-suite roles
the percentage of Fortune 500 companies that have a Black CEO (as of May 2021)

50%

white candidate

how much less likely an African American job candidate is to get a callback compared to a



how can your company increase the diversity slate within STEM?

There's no single solution to building a more diverse STEM workforce. Successful organizations understand this is a long-term commitment, and use a multipronged strategy that can change depending on what works for them.

"Employers must ensure they're tapping the traditional sources for talent while reaching out for new ones," said OneTen CEO Maurice Jones. "More companies are eliminating four-year degree requirements, for example, and moving to a skills-first approach to hiring and advancement. They're translating jobs into skills and recognizing that people acquire these skills in multiple ways."





Here are some ideas for programs to help build diversity and inclusion:

- Engage with members of minority groups when they are young or early in their careers to interest them in STEM, and encourage them to take on roles that let them grow and learn in a supportive setting.
- When well planned and executed, apprenticeship, sponsorship, coaching and mentorship programs work at building diversity in STEM professions.
 Multiple surveys and studies have proven the value of such programs. One such study by Cornell University's School of Industrial and Labor Relations found that mentoring programs increased minority representation at the management level by nine percent to 24 percent, and that mentoring programs improved promotion and retention rates for minorities and women 15 percent to 38 percent compared to non-mentored employees.
- Targeted skilling, upskilling, reskilling and other nontraditional programs can help employees expand their capabilities and earn valuable certifications.
- Making investments in scholarship programs for minority students to attend STEM colleges/universities or study STEM fields.

- Expanding the list of organizations used to identify and hire diverse talent. There are smaller, less wellknown organizations that might be avenues to finding minority talent.
- Recruit for skills and experience, not just credentials.
 Don't exclude candidates who have the relevant skills but don't have a four-year degree or experience with a specific technology.
- Devising measurable hiring/promotion goals for minorities.
- Having the organization's leadership involved in developing, implementing and promoting STEM goals and activities.
- Designing a supportive work environment in which diversity and inclusion are apparent and valued.
- Create and maintain an employer brand that makes you attractive to talent.
- Leverage your existing minority workforce to help you find prospective employees.



how to create an inclusive culture within your organization

With the value of diversity repeatedly proven, the focus turns to how to successfully build an inclusive culture. Building an inclusive and diverse culture requires that managers understand what motivates workers and that employees, for their part, believe they are being treated fairly and have a purpose within the organization — that they're part of something important.

From a <u>Brandon Hall Group study</u>, when asked about their own workplaces, they found that 89 percent of employees agreed that "everyone here is treated fairly regardless of race, gender, age, ethnic, background, sexual orientation, or other differences." However, 94 percent of white employees agreed to that item compared to just 85 percent of black employees. So what can you do to avoid this gap in perception and build a truly inclusive workplace? We'll turn to that next.

don't take your eye off the ball

To begin, avoid the tendency to cut your diversity program's budget when results aren't immediate. Continue to talk about your organization's EDI&A initiatives and progress — even if progress is slow and goals go unmet. Discuss what new steps are pending to improve performance. The diagram on the following page offers a high-level overview of the steps in building an inclusive culture. Answering the questions related to each step in the process provides an idea of the status of current efforts and spurs ideas on how to improve.

"Change the culture, change the game — People want to feel that they're part of something great. Part of that is providing workers an understanding of how they fit the organization's purpose. Adopting the mantra, 'Mission first – people always,' helps build a culture in which people know they're valued and that their work is meaningful."



Shan Cooper, Executive Director, Atlanta Committee for Progress



- What are your current numbers?
- Do your employees think the existing culture is inclusive?
- Do minority employees have the same opinion about the existing culture?



commit to the long term

Meeting EDI&A program goals can be difficult and take time. Over time, enthusiasm and commitment can wane. It's important to understand that this is not a short-term process, and that success depends on a continuing commitment and steady progress toward measurable goals.



building an inclusive culture

analyze hiring and management practices

- How do you select employees and decide whom to promote?
- What processes do you use to evaluate your employees?
- What are the effects of these processes on your organization's diversity?
- Are these processes fair and equitable?
- Are there biases inherent in your performance assessments?

leadership makes diversity a priority

Through their actions and words, leadership must make it apparent that EDI&A is an organizational priority. Getting a picture of where you are now, and then setting measurable EDI&A goals on hiring and promotions that are tracked and reported on, is imperative.

develop bias-free benchmarks

Ensure these types of measures are employed at all levels of the organization, from management down to team selection and assessment. Continue to monitor and refine them to ensure impartiality, clarity and inclusivity. Provide employees with different methods of offering ideas and feedback.



training more employees offers greater benefits

The ongoing STEM skills gap, in conjunction with the inability to find and hire enough workers, has placed greater emphasis on skilling employees. Data from a McKinsey study found that nearly nine in 10 executives said they are currently experiencing skills gaps or anticipate they soon will.

"Professional development is important to recruiting and retaining diverse talent because investment sends a signal that you believe this person has a path forward in the organization," said Katie Kirkpatrick, President and CEO, Metro Atlanta Chamber.

Skilling programs have been so widely embraced because they work — not only to alleviate specific skills shortages, but also to enhance employee retention. A global <u>survey conducted by Randstad Risesmart</u>, a Randstad operating company, found that 72 percent of employers offer continual skilling opportunities and 87 percent of human capital and C-suite leaders believe reskilling their employees will enhance retention, which will reduce long-term recruitment and onboarding costs.

Two insights from the survey point to opportunities to improve skilling programs: skilling programs are not fully inclusive, and strategic guidance from employers could increase the effectiveness of their programs. Even though 98 percent of HR professionals in the survey thought that employees either fully or partially used the skills acquired to benefit the business, skilling would be more effective with additional guidance and a skills gap analysis.

Additionally, the survey found that 39 percent of respondents offered skilling opportunities to some, but not all employees. Team leads and managers were more likely to be offered or required to take training (65%) than were individual contributors and high-potential employees (44%). This is a missed opportunity.





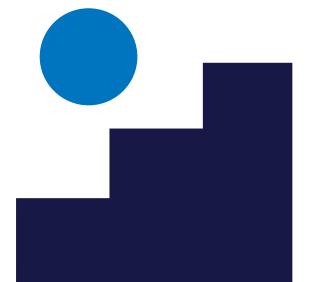
provide skilling opportunities tied to upward mobility

Organizations that open training to more of their employees are more likely to uncover untapped skills and identify workers with the potential to grow into leadership roles. Inclusive skilling helps foster an agile workforce, and, according to a Randstad Sourceright survey, 77 percent of leaders believe their talent strategies are more focused on workforce agility than ever before.

Improving social mobility is another benefit of skilling programs. A <u>recent study</u> produced through a collaboration of academic, nonprofit and corporate researchers, estimates that as many as 30 million American workers without four-year college degrees have the skills to move into new jobs that would pay on average 70 percent more than their present jobs.

"Workforce development is an anchor in how we break the cycle of generational poverty," said TechBridge CEO Nicole Armstrong. "It helps change people's mindsets. In some cases, members of the nontraditional STEM workforce we need to build are struggling with food insecurity, homelessness and social justice issues. Organizations should realize that sometimes skilling, to be successful, has to be coupled with social services."

This gets at the huge potential for helping millions of Americans move up the socioeconomic ladder from low-wage jobs to middle-income jobs. Using classifications from the U.S. Department of Labor, the researcher's findings reinforced our experience — those workers who were the highest paid that did not have a college degree were in computer, technical and management jobs. The challenge for many organizations is to find practical, effective ways to upskill and reskill workers so that they can fulfill their unmet STEM needs.





randstad has created an assortment of skill-building programs that are proving effective at meeting this goal:

- We've established <u>strategic skilling partnerships</u>
 with some of the nation's leading educational/
 training organizations that offer a variety of business,
 technical, personal development and soft skills.
 Some of our partners include Udemy, Coursera and
 MindTools.
- Randstad has established a <u>Talent Development Program</u> in response to the STEM candidate shortage, focused not on finding great talent

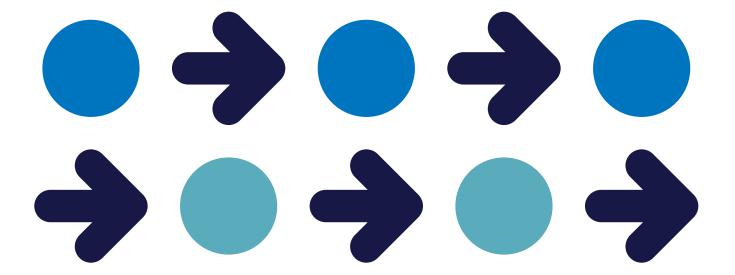
 but creating it. Through the program's many comprehensive curriculums, participants undergo upskilling or reskilling for in-demand areas of specialization, giving them the tools they need to deliver immediate value for employers.
- Randstad's <u>Transcend</u> program is a best-in-class skilling program that attempts to narrow the widening divides in workers' skills and opportunities. Candidates from traditionally underrepresented talent pools have access to training and opportunities that match employers' needs.
- BrightFit, Randstad RiseSmart's first-of-its-kind predictive career exploration technology, empowers candidates with data to aid in the career decision-making process. Through real-time, labor-market data analysis and an algorithm pulling information from more than 40,000 sources and over 17,000 skills, BrightFit reveals roles with the brightest outlooks to job seekers as well as a plan of action on how to train for and secure one.

There are scores of success stories describing how individuals with the aptitudes, interests and curiosity necessary to develop new skills have acquired the STEM skills they need for successful and well-paying careers.



Although strides have been made over the past few decades and more attention is now paid to EDI&A efforts, diversifying the talent pool remains challenging for many organizations. Stalled or slowed efforts require new thinking and tactics — and a long-term commitment to achieve measurable goals.

We encourage you to stay informed about the topic by maintaining conversations with your peers. We at Randstad are always eager to share with you what we've learned and to put you in touch with thought leaders who can offer new ideas and fresh perspectives on EDI&A so we can all be part of the solution.





Many organizations are closing the diversity gap, and there is much for us to learn. The leaders on our <u>CEO STEM Allies panel</u> provided insights and guidance based on their years of experience advocating for and working to build diverse, inclusive and equitable workplaces.



increasing the diversity slate within STEM

Shan Cooper
Executive Director
Atlanta Committee for Progress

Organizations need to look at their entire people strategy, starting with where they recruit. We need to create a workplace where people feel as though their employer offers a space where they belong.

Katie Kirkpatrick President and CEO Metro Atlanta Chamber No longer can we rely on the traditional STEM pipeline. We need to start from the inside out — to look beyond the traditional career pathways. This entails going into communities to provide opportunities to the underserved — create nontraditional pathways for nontraditional employees by building on the talents they have.

Venessa Harrison President AT&T Georgia We know that diversity and inclusion draws innovation — but we have to be intentional about building a diverse workforce and a pipeline. Organizational efforts must start at the top, and I'm proud ours do at AT&T.

Nicole Armstrong CEO TechBridge Building the STEM workforce of the future requires organizations to hire nontraditional talent such as nondegreed technicians.

H. Keith Boone Senior Managing Director, Technology Strategy and Advisory Leader North America, Accenture Our apprenticeship program at Accenture helps fuel the firm's diversity. We'll bring in high school seniors or sophomores at community colleges and help them learn skills where they can make mistakes in a safe workspace — and they get paid. As they advance through the apprenticeship, our expectations about their work escalate because, at the end, we want them to be fully productive employees. We've found that the types of people who make it in our program end up attracting others who can also make it, so it's something of a recruiting tool.



creating an inclusive culture within your organization

Shan Cooper
Executive Director
Atlanta Committee for Progress

As I have said many times, 'Change the culture, change the game.' People want to feel that they're part of something great. Part of that is providing workers an understanding of how they fit the organization's purpose. Adopting the mantra, 'Mission first – people always,' helps build a culture in which people know they're valued and that their work is meaningful.

H. Keith Boone Senior Managing Director, Technology Strategy and Advisory Leader North America, Accenture

Too often organizations seek to hire perfect candidates and overlook perfectly capable candidates. Most of the people who want to work possess the skills that employers seek but the corporate systems exclude them from consideration. We found that 88 percent of employers believe that highly skilled candidates were filtered out because they don't match exact criteria. We need to start filtering in as opposed to filtering out.

Katie Kirkpatrick President and CEO Metro Atlanta Chamber Too often we confuse mentorship and sponsorship. Mentorship is coaching — helping someone develop skills and preparing them for their next step. Sponsorship is being an advocate for a pathway for an individual — really being a champion for their progress. A sponsor helps them progress to the next level and serves as a vocal advocate supporting them.

Maurice Jones CEO OneTen "Building a culture that fosters empathy can promote inclusiveness. A new hire might come in who has had no exposure to the world of work they just entered. It might seem foreign to them. Having someone within the organization who cares enough to help them navigate all aspects of this new world is powerful and underscores the seriousness of the organization's commitment to inclusion."



providing skilling opportunities tied to upward mobility

Maurice Jones CEO OneTen Apprenticeships, which I think are underutilized in the U.S., are powerful vehicles to source, develop and create pathways for diverse talent. These 'earn and learn' pathways allow people to acquire job skills and earn some cash. They also get accustomed to the values, mores and culture of the company. You get a look at them, and they get a look at you.

Shan Cooper Executive Director Atlanta Committee for Progress When it comes to our workers, we're going to have to focus on the head and the heart. Most companies are good at the head piece, but not so much the heart. Leaders need to become good listeners and become more attuned to the individual aspects of leading, coaching and mentoring — this is now part of the job.

Venessa Harrison President AT&T Georgia Everyone needs to be committed to preparing the next generation for a strong STEM workforce. We need to close the digital divide. One way to do this is to provide technology to underserved and unserved areas where people are hungry for education and jobs, but don't have access to the enabling technology they need.

H. Keith Boone Senior Managing Director, Technology Strategy and Advisory Leader North America, Accenture Before you start talking about skill building you must understand an individual's 'why.' What motivates them? Why do they want to succeed? Helping people understand their 'why' gives their managers a purpose and let's them understand the individual's heart above their head. It offers insights into where they want to go and the skills they need to get there.





other insights

Katie Kirkpatrick President and CEO Metro Atlanta Chamber Employees are deeply interested in where companies are landing on issues around social justice and other issues impacting the community where they work and play.

H. Keith Boone Senior Managing Director, Technology Strategy and Advisory Leader North America, Accenture Every technology strategy starts and ends with the talent strategy associated with that technology strategy. Identifying the diverse talent and the roles they can fill, then helping them learn and acquire the skills necessary to succeed in those roles, is not just a human resources issue. Managers and leaders must solve this problem for ourselves — we need to open the aperture and eliminate any biases or preconceptions about what people can and can't do. For example, some of the best technologists I know did not begin in technology.

Maurice Jones CEO OneTen Companies need to learn from one another to figure out how to be great at those things they need to be great at.

Nicole Armstrong CEO TechBridge In a departure from the past, companies are now looking to build tailored, internal certification programs — a trend that we're seeing grow.



about randstad

Randstad is the world's number-one provider of outsourcing, staffing, consulting and workforce solutions within the areas of engineering, finance and accounting, healthcare (clinical and non-clinical), human resources, technologies, legal, life sciences, manufacturing and logistics, office and administration and sales and marketing.

Randstad Technologies Group is a leading provider of STEM talent, workforce and project solutions. Our key strategic partnerships and programs are focused on cultivating the next generation of STEM talent and helping employers build the future-ready workforces they need to stay competitive.

To learn more about our programs and services, please visit our overview page here.

