

BRIDGING
THE
DIVERSITY
DISCONNECT:
CHARTING
MORE
INCLUSIVE
PATHWAYS
TO
GROWTH



BY ELLIOT LUM,
Senior Vice President, Talent Strategy and Program Development

Executive Summary

BRIDGING THE DIVERSITY DISCONNECT: CHARTING MORE INCLUSIVE PATHWAYS TO GROWTH

OVERVIEW

In 2017, the study “Bridging the Talent Disconnect: Charting Pathways to Future Growth” identified significant structural disconnects between academia and industry. This year’s study uncovered the same structural disconnects when analyzing this issue through a diversity lens, specifically racial diversity. Industry and academia universally agree on the importance of diversity and inclusion. In fact, there have been significant resources poured into the recruitment and retention of diverse talent, with key benefits:

Drives Business Results:

“Contrary to what some may think, focusing on diversity and inclusion doesn’t come at the sacrifice of driving business — at NBCUniversal, we know that it enhances and improves our results.”

— **CRAIG ROBINSON,**
EVP and Chief Diversity Officer
at NBCUniversal

Elevates Performance Standards:

“When we talk about diversity in the workforce, there is often an untrue expectation or myth that somehow implies there is a lowering of standards. The opposite is actually true — diversity raises standards and expectations on the job. For example, when we’re selecting new hires, our metrics don’t change. If you blind a slate of candidates, you can’t discern any kind of demographic or ethnic group across the pool of talent that comes in.”

— **WILLIAM GIPSON,**
President, End-to-End Packaging Transformation
and Chief Diversity Officer at Procter & Gamble

Improves Team Dynamics:

“I find tremendous benefits when I have a diverse staff. It’s extremely helpful to get direct understanding of specific nuances across a multicultural audience. I am one of the first to notice if I join a team that is not diverse. If I am in charge of that team, I try to solve for that immediately, whether that be greater racial or gender diversity. It makes for our strongest work when we have different cultural backgrounds and combine them to create something great.”

— **TRACY CHAVEZ,**
SVP at Starcom

Increases Organizational Agility:

“Today, decision-making is complex given the amount of information that comes at us at lightning speed. The world requires us to operate as a collective organization to see around corners. The teams who are best prepared for this dynamic world have diverse backgrounds, which allows them to have a collective view of the future. If you are trying to see around the corner, and you’re looking with just one perspective, it takes you to only one place. When we have a multitude of perspectives and debate, we are able to pressure-test our assumptions. We succeed because we come up with three to five different options. As a team, we can then identify what is the best option versus a myopic course of action.”

— **ROBERT SUNDY,**
Senior Director, Brand and Marketing
at Whirlpool

Creates Better Strategy:

“Diversity, inclusion, and equity have to be thought of as transforming attitudes and beliefs of individuals. But they must be seen as imperative to the corporate advantage. This goes to our rationale for why we are committed to diversity, equity, and inclusion. It’s not just a morally correct argument. For us to be the most effective institution of higher education we can be, we have to have as many different perspectives as possible. For us to be the very best, we need more perspectives around the table — perspectives that are based on experiences and social identities they hold, whether that be race, gender, social class, age, ability, or military status. We see having those diverse perspectives as being critical to being the very best, and we embed that in our strategy.”

— **ROBERT M. SELLERS,**
*Vice Provost for Equity and Inclusion,
Chief Diversity Officer, and the Charles D. Moody
Collegiate Professor of Psychology and Education
at the University of Michigan*

STILL A TRUE DISCONNECT WHEN TALKING TO DIVERSE TALENT

However, when interviewed by the research firm Egg Strategy, this diverse talent acknowledged that breaking into the industry and then staying there was incredibly hard. The research identified several factors:

• **Management Disconnect:** While new hires can appreciate their managers for their industry experience, the relationship is still not optimal. Several new hires admit that they feel like their manager can’t relate to the challenges they face

as it relates to diversity, and they often don’t trust them to share these experiences or perspectives for fear of “causing trouble” and retaliation (e.g., delayed promotion). This also exposes how a lack of people of color in senior leadership positions signals there are no other alternatives for mentorship and support from a likeminded individual in their current work environments.

- **Microaggressions:** While some new hires could name them as microaggressions, others described similar experiences even though they didn’t have the word. The microaggressions, even when unintentional, are internalized as insults to these individuals, their culture, and their intelligence. Coworkers engaging in behaviors that are offensive, even on a minute level, leave that person feeling uncomfortable, disrespected, and helpless, at this point in their careers, to address such behavior.
- **Cultural Illiteracy:** Cultural acceptance has a varied history in the United States. But just because we aren’t living in the past doesn’t mean that some of the mannerisms of yesterday don’t still exist in new forms today. Without true cultural understanding, many minority new hires feel like they are constantly on edge, trying to make sure they don’t inadvertently cross the line, but also making sure that the stereotypes of the past aren’t assigned to them. The other side of cultural literacy is understanding how and why someone engages and interacts the way they do based on ethnic cultural norms and creating an environment that is opening and accepting of this different way of working and interacting.
- **Workplace Integration Dissonance:** New hires often don’t feel comfortable starting a conversation

around diversity due to the risk of losing their jobs. When organic cultural conversations happen, new hires carefully pick and choose their battles, mostly opting not to engage to avoid conflict and not to be heard as the lone voice of the people in the room. More importantly, they realize that no one has prepared them to have these conversations in the workplace, or prepared them for the culture shock they’ve experienced in the workplace.

HOLDING THE INDUSTRY TO A HIGHER LEVEL OF RESPONSIBILITY WHEN THINGS GO WRONG

Many brands, such as H&M¹, have suffered major press setbacks when releasing certain ad campaigns. Not only are these missteps being captured by the press, they are also being discussed in the classroom. “We focus every week on current events. These campaigns have been at the front of the discussion,” said Keith Niedermeier, director of the undergraduate marketing program and an adjunct professor of marketing at the Wharton School, University of Pennsylvania.

The marketing and advertising industry creates communication that guides, shapes, and at its very best positively drives culture and society. Advertising is privileged communication that wields considerable power in society, which Sut Jolly, a professor of communications at University at Massachusetts Amherst, has shown in his research². Only a handful of people create this form of communication, particularly when it is a television commercial. The ratio between who creates the ad (very few) and those who see that ad (millions of consumers) is lopsided. That small group at the creative table influences culture and society with their own biases.

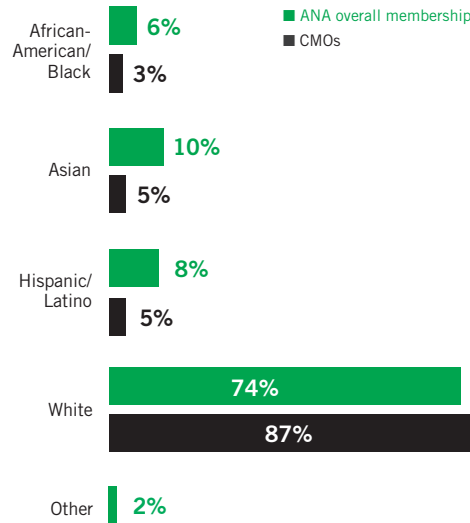
1. “H&M Faced Backlash Over Its Monkey Sweatshirt,” *Washington Post* (January 2018).
2. “Advertising as Privileged Discourse,” *Simon Fraser University* (March 2005).

The industry must always recognize that it has a responsibility to culture and society. Companies place significant rigor on evaluating the return on investment of media. Similarly, companies should — but often don't — place a similar level of rigor on who the talent is when producing that creative. Lack of diversity in the group in all likelihood diminishes the potential richness of that communication, and future communication, because it doesn't consider more inputs into the development of that creative content.

It is important to have diversity in the creative process and have a culture that allows for all perspectives to be heard. Holding the marketing and advertising industry accountable for a positive contribution to cultural discourse forces individuals to look beyond themselves and their companies to the impact they are making in society today. This is a perspective that the ANA embraces, as its mission statement reflects growth for the individual, for the company, and for the industry.

“We are often caught in the short-term goals because of sales, traffic and profit pressure, and those pressures are real,” said John Dillon, SVP and CMO at Denny’s. “At the same time, I think we have even more opportunities as CMOs about how we embrace the responsibility to elevate to more aggressively affect society and culture. Consumers are now willing to believe that brands can have hearts and that brands can do good. I see that as part of our expanded role as marketers, where we owe it to the consumers to rise to the occasion that consumers have empowered for us to give back to society.”

**FIGURE 1
BREAKDOWN OF RACIAL DIVERSITY OF ANA MEMBERSHIP OVERALL AND OF CMOs IN PARTICULAR**



**FIGURE 2
RACIAL DIVERSITY BREAKDOWN OF 17 ANA MEMBER ORGANIZATIONS BY LEVEL**

	Total	Senior Level	Mid Level/Upper End	Mid Level/Lower End	Entry-Level Professional	Admin/Clerical/Support
African-American/Black	7%	4%	5%	6%	9%	9%
Asian	11%	9%	12%	11%	10%	7%
Hispanic/Latino	7%	9%	7%	7%	7%	10%
White (Non-Hispanic)	69%	72%	68%	70%	68%	68%
Multi-racial	2%	1%	2%	2%	2%	3%
Other/Not Listed	4%	5%	6%	4%	4%	3%

THE STATE OF DIVERSITY IN MARKETING ORGANIZATIONS

There has been significant effort by companies such as Hewlett-Packard³ and Verizon⁴ to work with their agency partners to ensure diversity on the teams when executing campaigns. At a broader industry level, Figure 1 and Figure 2 show the diversity numbers of the ANA’s membership base and a breakdown of selective companies.

BUT WHAT IS THE RIGHT NUMBER?

Bob Liodice, CEO at the ANA (Association of National Advertisers), spoke to this issue. “What is the right number? Let’s have the conversation about it. If we agree to 50 percent more diversity, is that the right number? Does it give me the optimal performance for growth? It’s hard to tell.” There is a universal sense that the numbers need to be better, but there is no consensus within the industry — or in most companies — what those target numbers are to maximize business growth.

3. “HP Reports Marketing Agency Diversity Scorecard Results,” HP (October 2018).

4. “We Need a Game-Changer for Diversity: Rigorous Measurement,” *Ad Age* (December 2017).

Not being able to see the numbers or have the right forum to discuss these kinds of numbers minimizes the amount of progress we make as an industry. We will all have diversity and inclusion discussions at our respective companies, but the action is happening in isolated pockets instead of a cohesive group.

Sharing those numbers is one opportunity. Creating the right forum to share them is another. Working together as an industry is the true test of how we can make progress on diversity and inclusion. “Diversity is not something that we should compete with other companies on, but something we as a business community should embrace together, to raise us all up,” said William Gipson, president, end-to-end packaging transformation and chief diversity officer at Procter & Gamble. Chris Macdonald, global president of advertising at McCann Worldgroup, added, “We know that diversity is an imperative for all of us, but has to be driven by actions. This study helps us focus and realize that we have to collaborate as an industry and with academia to find new ways to drive actions to address this issue now.”

Dillon said, “I think it’s safe to say no one in isolation has all the answers on how best to advance diversity and inclusion. It’s frankly not a new industry challenge, but the good news is that as an industry and as companies, we all seem to be more aggressively focused on it in various ways. My belief is we all need to just be a little more vulnerable and realize that we are in this together, and need to share and learn more from each other. Until we really put some collective thought together in a different way, we won’t make the progress that we all want to make. With accelerated cooperation comes accelerated progress.”

RECASTING THE DIVERSITY “ISSUE” TO FOCUS ON INCLUSION

There is a popular saying: “Diversity is being welcomed to the party. Inclusion is being asked to dance.” But who is actually inviting people to this party? Are they inviting everyone to it? Or is only those who look like the inviters who can come to this party? Being inclusive is being intentional about who actually gets invited. That intention then carries over to who is at the party and how people can enjoy that party. Those who are dancing will not just be invited to dance. Those who are dancing feel welcomed to the party and are free to be themselves when they dance. They don’t need the invitation to dance. They already have permission to dance because they were invited to the party — and deserved to be there.

In a similar vein, the industry has focused on addressing the diversity issue, which is the right issue to focus on — but we have taken the wrong approach. The very phrase “diversity and inclusion” suggests that diversity comes first and inclusion comes next. But diversity is the outcome of being inclusive in all circumstances. Focusing on the result first instead of the process to get there fixates our efforts on the output instead of all of the inputs required to produce the output. Inclusiveness is the key to guide our efforts. We need to put inclusion at the heart of any diversity discussion and trust that true inclusiveness will drive better diversity outcomes.

Susan Stith, VP of diversity, inclusion, and corporate giving at Express Scripts, said, “I don’t think it’s difficult to talk about diversity. I think it’s difficult to talk about inclusion. The goal is to be more inclusive. There is a quote that I like: ‘History has shown that diversity for its own sake isn’t the surest path to inclusion. Inclusion, however, is the surest path to diversity.’ ”

THE PATH TO INCLUSIVENESS: THE INCLUSIVENESS IMPERATIVE FOR LEADERS

Val DiFebo, CEO at Deutsch New York, stated, “You can have all the diversity in the world in your offices, but if we are not encouraging inclusion — which is giving people a voice and giving power to people who have those diverse backgrounds and points of view — then there is no point in having that diversity. If these individuals don’t feel the security to express their ideas and think other people are listening to them, then I think we’ve failed at diversity and inclusion. I believe inclusion is really the more important piece because it makes people feel like they can bring ideas to the table that aren’t necessarily the norm.”

Marla Kaplowitz, president of and CEO at the 4A’s, added, “We have done a lot on the diversity side, but we have more progress to make on the inclusion front. We are bringing many young diverse students through our MAIP program, but we are not getting them to higher levels where they assume leadership positions to help the next generation and shift the agency culture and work.” Inclusion is about everyone. DK Bartley, SVP and head of diversity and inclusion at Dentsu Aegis, explained, “It is the responsibility of everyone, not just a few.”

ANA CMO MASTERS CIRCLE: INCLUSIVE EFFORTS UNDERWAY

Growth is the primary responsibility that CMOs have for their organizations.

However, data shows that many organizations are not growing, despite spending billions of dollars for their products and services. In fact, more than half of the Fortune 500 is not growing.⁵ To reverse this trend, the ANA formed the Masters Circle, a community of chief marketing officers who have organized around

5. “CMO Agenda: Driving Growth,” Association of National Advertisers (February 2018).

6. “A Leadership Agenda for Driving Growth,” ANA CMO Masters Circle (2018).

12 key common areas to drive growth for their brands and for the industry.⁶ As seen in Figure 3, there are several areas that have been very intentional about driving inclusiveness.

CMO MASTERS CIRCLE: INCLUSIVENESS IN ACTION TO DRIVE DIVERSITY LOCALLY

The CMO Masters Circle hosts roundtables across the country around one of the 12 growth areas. On June 27, 2018, Meredith Verdone, CMO at Bank of America, hosted a roundtable discussion with marketing peers, agency leaders, and the academic community about recruiting and retaining diverse talent. This was a unique gathering and a signal to the industry of the need to work collaboratively across the different constituencies — marketer, agency, and academia — to discuss diversity challenges and create a movement to help drive similar discussions in other markets.

Introducing the session, Verdone said, “I feel very fortunate to work at a company that is committed to creating an inclusive environment for all employees, which starts at the top with our chief executive officer. What we do is very intentional both from a recruiting and a retention standpoint. Each market, including Boston, has its own unique challenges when it comes to a diversity pipeline. I hope we can work together to address this issue as partners and members of the greater Boston community.”

Some companies and agencies at the session agreed that they struggled to recruit diverse talent. There was a clear need for the community to work together to help raise the profile of Boston and the New England area as an attractive destination for diverse talent.

**FIGURE 3
OVERVIEW OF ANA GROWTH INITIATIVES THAT ARE DRIVING INCLUSIVENESS**

KEY GROWTH PILLAR	TALENT	GENDER	DIVERSITY AND INCLUSION
Key Organizational Driver	ANA Educational Foundation (AEF)	#SeeHer	Alliance for Inclusive and Multicultural Marketing (AIMM)
Key Initiative	Pathways 2020	Gender Equality Measurement Score	Cultural Intelligence Measurement Score
Key Objective	Drive greater connectivity between academia, industry, and students through scorecard: <ul style="list-style-type: none"> • 1,000 Students Immersed • 1,000 Professors Inspired • 1,000 Executives Activated 	Increase percentage of accurate portrayals of women and girls in U.S. advertising and media by 20 percent by 2020	Create a powerful voice that elevates multicultural and inclusive marketing to promote business growth in an increasingly diverse marketplace
Core Constituencies	<ul style="list-style-type: none"> • Marketers • Agencies • Publishers • Universities • Students and New Hires 	<ul style="list-style-type: none"> • Media Executives • Media Agencies • Content Creators • Researchers • Networks 	<ul style="list-style-type: none"> • Chief Marketing Officers • Marketing Executives • Multicultural Agencies • General Market Agencies • Media and Research Companies

THE PLEDGE

Verdone has called on the Boston marketing and agency community to join her in bringing diverse talent into the industry. One way to support this effort is through the Marketing and Advertising Education (MADE) Internship program, which was developed by the ANA's Educational Foundation. This program has diversity as part of its mission.

NEXT STEPS

In taking this pledge, the Boston marketing and advertising industry is organizing itself to make a true impact on its community. This initial step can help drive collaboration in the future, which the CMO Masters Circle hopes that other cities can model. Other action items that are being planned in the next year:

- **Orchestrate a Diversity Roundtable at an Academic Institution in Boston:** Diversity is a topic that affects both industry and academia. The AEF will host a diversity roundtable of executives representing agencies, marketers, and academia, where the main audience is students. The goal is to expose students to the cross-collaborative efforts between different stakeholders that signal a welcoming and inclusive environment for them to consider marketing as a career path.
- **Organize Events for 2019 MADE Class in New England:** The organizing companies will plan at least two social events for the 2019 MADE class to get together with executives, managers, and mentors to help build the social bonds with this cohort.
- **Host Another Masters Circle Roundtable in 2019:** The CMO Masters Circle and the AEF will plan another leadership session to bring together executives in the marketing, advertising, and academic communities. We will gauge progress on the pledge and discuss further items the industry wants to focus on to drive change in their community.

UNIFIED MOVEMENT: TALENT FORWARD ALLIANCE

Talent is multidimensional. Talent is an African-American male chief marketing officer at a major consumer products company who volunteers at a soup kitchen. Talent is a Hispanic female account executive who just got promoted to lead the biggest account for her agency and loves to fix cars. Talent

is a white Caucasian male who runs programmatic media for a major publisher and does stand-up comedy. Talent is an Asian-American female creative director who loves hip-hop music and identifies with the LGBTQ community. The marketing and advertising industry is a business based on the ideas that this spectrum of talent generates and puts into practice.

The ANA Educational Foundation (AEF) focuses on building the bridge between academia and industry to inspire our next generation of marketing and advertising leaders. It takes an inclusive approach to building this bridge, working with professors, deans and career counselors across academia and collaborating with agency heads, marketing executives, line managers and HR teams across industry.

While the AEF focuses on entry level talent, the need to build and nurture talent extends across every level of the organization. To address that need holistically, the ANA created the Talent Forward Alliance (TFA) — a movement committed to inspiring and accelerating the development of exceptional talent to drive growth for the industry. The ANA is inviting all the players in the industry (marketers, agencies, publishers, academia, other associations) and all the functions that touch talent development (HR, marketing capabilities, line managers, training and development, diversity and inclusion executives) to come together to join this movement. The Alliance is intentionally inclusive to involve all parties to attract the best, most diverse talent to the industry and keep them engaged through their careers.

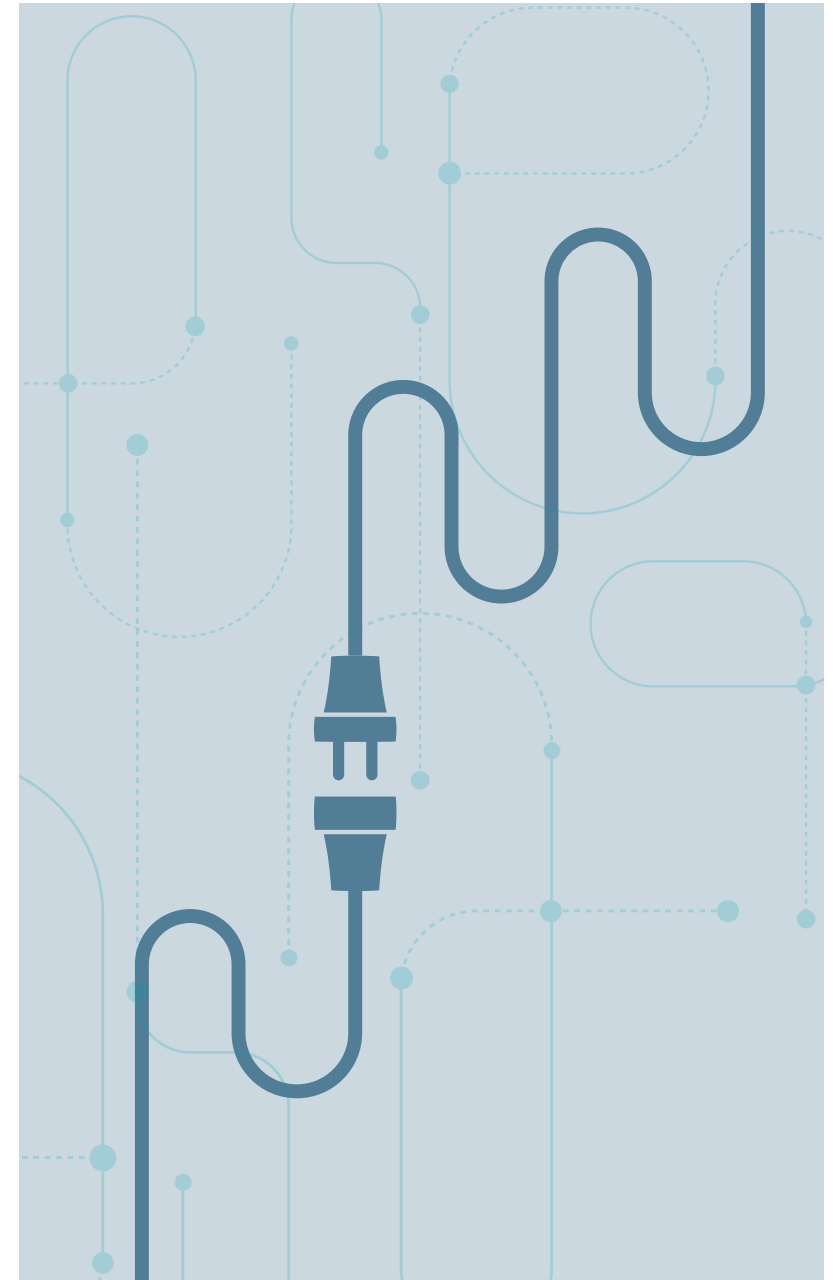
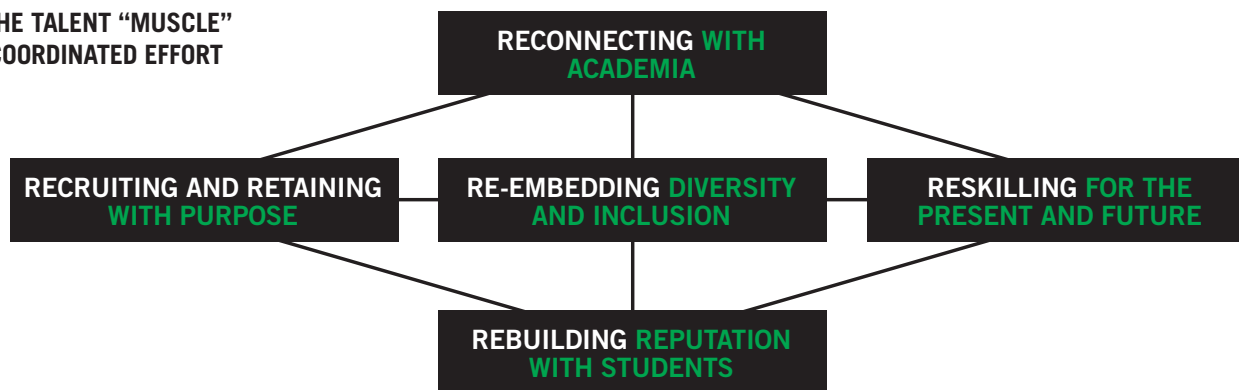


FIGURE 4
FRAMEWORK FOR ORGANIZING TALENT FORWARD ALLIANCE

	REBUILDING REPUTATION STUDENTS	RECONNECTING WITH ACADEMIA	RECRUITING & RETAINING WITH PURPOSE	RESKILLING FOR THE PRESENT AND FUTURE
Objective	Create greater relevancy of the marketing and advertising industry with students	Build greater and deeper connectivity between academia and industry	Leveraging a marketing-driven approach to recruiting and retaining talent	Build the right marketing capabilities to drive growth for our organizations
Key Opportunity	How do we market marketing?	How do we certify for the right set of marketing and advertising skill sets?	How can we develop inclusive practices that we can standardize and measure across the industry?	What kinds of skills do we need today and tomorrow to drive growth for our organizations?
Functional Participation	<ul style="list-style-type: none"> Marketing Agencies Associations Professors Deans Students New Hires 	<ul style="list-style-type: none"> Marketing Agencies Associations Professors Deans Career Counselors 	<ul style="list-style-type: none"> Marketing HR Leads Agency Talent Acquisition Associations Chief Diversity Officer 	<ul style="list-style-type: none"> Marketing Capabilities HR Leads Agency Talent Acquisition Associations Chief Diversity Officer

DIVERSITY & INCLUSION CUTS ACROSS ALL AREAS

FIGURE 5
BUILDING THE TALENT “MUSCLE” REQUIRES COORDINATED EFFORT



BETTER TALENT INDIVIDUALLY AND ORGANIZATIONALLY = MORE OPPORTUNITY TO REIGNITE BUSINESS GROWTH

TFA STRUCTURE AND APPROACH

Figure 4 shows the committee structure that the TFA is leveraging to drive inclusiveness across different companies and different functions.

Talent is like a muscle: If not exercised, it atrophies. But exercising only one muscle creates a disproportional impact on the body. Similarly, focusing on just one part of the talent equation, such as entry-level, neglects other parts of the organization. There must be balance across all parts of talent development, from new hires to the most senior perspectives. As seen in Figure 5, this all must be coordinated together in an inclusive way.

In 2019, the TFA will continue to:

1. Meet quarterly to share best practices and define the talent inputs most valuable to the industry.
2. Drive talent accountability through the CMO Masters Circle.
3. Host a Talent Forward Alliance summit in the Spring 2020 to share its progress.

MEASURING OUTCOMES: INCLUSIVENESS INDEX

The #SeeHer Gender Equality and Measurement (GEM) Score and the AIMM Multicultural Marketing and Measurement (MMM) Score are external measurement scores to evaluate gender and racial equity in advertising. These evaluation scores measure the creative output of what the talent produces. The TFA proposes to create an inclusiveness index that measures the level of inclusiveness that marketing organizations and agencies demonstrate internally.

The key principles behind the inclusiveness index:

EXECUTIVE SUMMARY

- ***Inclusiveness includes all organizations.***
 - o Marketers
 - o Agencies
 - o Publishers
- ***Inclusiveness includes all functions involved with the talent who touch the development of marketing communications.***
 - o Marketing team
 - o Agency team
 - o Diversity executives
 - o HR executives
- ***Inclusiveness includes industry engagement with academia.***
 - o Perspective from professors
 - o Perspective from deans
 - o Perspective from students

As we build this inclusiveness index, we will solicit feedback from the industry community to help shape this methodology and eventual widespread adoption. The goal is to demonstrate that a more inclusive organization is better at driving growth than one that is less or non-inclusive.

CONCLUSION

This study identified the unique issues that diversity stakeholders face from the perspectives of academia, industry and emerging talent. What the study uncovered was a fundamental disconnect between the resources being invested in diversity initiatives and the lack of belonging which diverse students and new hires felt in their respective environments. There have been many admirable initiatives to try to solve how we can improve the mix and quality of diverse talent in the industry. However, the industry has focused too narrowly on improving diversity numbers and scorecards.

Instead the focus must now shift to how we can be more inclusive as an industry, both to attract and retain outstanding diverse talent. Greater inclusivity is the key to improving diversity, and it has been demonstrated more diverse teams drive business growth. Inclusivity also signals to our next generation of talent that their voices truly matter, that they belong in the marketing and advertising industry, and that their talent is sorely needed.

