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Corporate diversity: Columbus companies making progress, but how fast?

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Columbus-area companies and nonprofits have remained focused on diversity, equity and inclusion despite staffing challenges, inflation and a shifting workplace environment.

However, those efforts need to grow to diversify and develop staff, guarantee equal pay, and implement effective reporting so equity is achieved, according to the results of a Columbus Dispatch survey.

What a Dispatch survey found about companies' progress

The Dispatch sent the survey to more than 2,000 companies and nonprofits, as well as chambers of commerce and city governments. Questions were developed with assistance from Adrian Sullivan, president of the Central Ohio Diversity Consortium, a collective of DEI practitioners.

The survey received 31 responses (1.5%) from participants with five to nearly 50,000 employees — more than double the participants in last year's survey. Nine companies participated for the second year in a row.

The results this time around show that DEI efforts are continuing to evolve.

Although 64% of companies surveyed reported a change in the diversity of their boards — up from 38% last year — efforts to add women may be outpacing efforts to add minorities. While women make up about 40% of boards of participating companies, the number is 29% for people of color — down from 31% last year.

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The gaps for executive diversity are wider. On average, women make up 49% of the C-suites of participating companies, but the number is 21% for people of color — down from 32% last year.

“We have to do better,” Sullivan said. “If it’s working for one group, why haven’t we applied the same techniques (for others)? Are we doing what’s convenient, or are we trying to intentionally do what’s right?”

Oftentimes, Black professionals aren’t aware of openings on boards — or how to prepare for them — according to Stephanie Hightower, president and CEO of the Columbus Urban League.

“There’s a whole process that you have to go through,” she said. “It’s almost like it’s an exclusive club.”

Nationally, women make up almost 30% of S&P 500 boards, and people of color account for 23%, according to the Institutional Shareholder Services firm, which provides investment solutions.

When it comes to C-suites across the country, women account for 29%, while people of color account for 17%, according to Gartner, a technology research and consulting company.

For the second year, the Dispatch’s small set of survey participants realized higher rates of diversity than nationally, but gaps for people of color remain.

Long-standing racial gaps among Columbus-area workers cost the regional economy \$10 billion a year, according to a report released by National Equity Atlas in partnership with JPMorgan Chase and others. The study also found that workers of color are concentrated in “lower-paying, and lower-opportunity, occupational groups.”

Multiple participants in the Dispatch survey said they are working to address the lack of diversity in their pipelines to leadership positions. Companies such as Worthington Industries, the Columbus Regional Airport Authority and Battelle have partnered with historically Black colleges and universities (HBCUs) to help identify potential talent, for example.

But some said they are still challenged by competition for diverse talent.

“Even with everything we do, it’s still a struggle,” said Floria Washington, program manager of learning, development and diversity and inclusion at the Columbus Regional Airport Authority. “There is work that has to be done in the background in all of our industries, where we’re actually getting out there, partnering with schools so that we can get the word out and the educational system can start to prepare students.”

But companies also have to make themselves appealing to diverse candidates, Hightower said.

“These young people don’t want to be affiliated with companies who aren’t truly committed to diversity.”

Columbus-based Root Insurance is trying to create a sense of belonging, said Neil Williams, the company’s senior director of organizational effectiveness.

“We want employees to have a voice, make empowered choices,” Williams said.

Root works with the National Association of Colleges and Employers to recruit employees, a broader national reach to increase of the diversity of the talent pool.

“We make sure we have diverse candidates in our pipeline,” Williams said. “We’re not losing sight of our end goal, our philosophy of belonging, making sure we are including DEI in each dialogue.”

There’s also a continuing effort to diversify the board as well. Root, founded in 2015, has nine white board members and one Black board member.

“I would say at a high level, we’re still a young company,” Williams said.

Equitas Health is working to change its reputation following a 2021 Dispatch investigation into claims of racism against Black employees. In the aftermath, the LGBTQ healthcare provider has changed its leadership, established a new Office of Diversity Equity & Inclusion, and is improving efforts to develop internal talent.

“We faced our turmoil we had last year,” said Dwayne Steward, interim chief people and culture officer. “Plus, on top of that, we’re dealing with the ‘Great Resignation.’ And, in healthcare, there’s a lot of fatigue around this pandemic. And so, providers are leaving the field in droves. So, we have these three strikes when it comes to hiring and retaining staff that we’re trying to battle right now.”

What companies are doing

On average, 81% of Dispatch survey participants have a full-time DEI employee, and a budget for their work. About 63% have a three-to-five-year DEI roadmap, and 68% have a supplier diversity strategy.

Organizations such as the Columbus Museum of Art also are implementing programs to better serve their customers. Through its “Museums for All” initiative, the museum is partnering with human service organizations to reach and build trust with lower-income families to foster a feeling of belonging when they come to the museum.

“In the museum world, for a really long time, we’ve thought all people need is access,” said Cindy Foley, deputy director of learning, experience and engagement. “But if you don’t feel you belong because of our actions, or the way we make you feel, or some other challenge, then that access is meaningless.”

Devray Kirkland, vice president of diversity, equity and inclusion for Cardinal Health, said a big focus of the company's efforts is recruitment and retention of Black employees.

“We know there is a great desire to have Black talent in organizations,” Kirkland said.

Cardinal Health has rolled out unconscious bias training to managers and administrators, with 90% completing the training. Kirkland said the company tracks how closely the company’s workforce matches U.S. gender and race statistics.

Janelle Coleman, vice president of community engagement and diversity and inclusion at American Electric Power, said AEP officials talk to other Columbus-area companies about their DEI efforts.

“From a local standpoint, Nationwide is definitely an organization we look to,” she said. “I think they are doing it right, whether it’s employee resource groups or how they show up to a national Black MBA conference.”

Angela Bretz, Nationwide’s chief diversity and talent acquisition roster, said her company wants to build a workforce that reflects the country’s diversity.

“We continually look at our data and demographics. We also ask leaders making hiring decisions, ‘What is it that you don’t have and what do you need?’ ” she said.

That also includes hiring people of different ages and styles and backgrounds. “We’re intentional with each hire,” Bretz said.

The company has had a DEI office since 2005.

“DEI is part of our DNA at Nationwide,” she said. “DEI will always be a focus of the business. It’s imperative.”

Workers initiate and lead the company’s employee resource groups. Nationwide has 16, including groups for Black men and women, Latinos and veterans, LGBTQ+ workers and older employees.

When it comes to advancing pay equity, some companies are further ahead than others: 68% of survey participants said they have goals for achieving pay equity and 48% have undertaken a pay equity audit.

Some companies, such as Battelle, have already closed pay gaps, and continue to review salaries each year.

After conducting a compensation study, Equitas Health recently increased compensation by \$2.5 million.

Meanwhile, other groups are trying to track local DEI efforts at companies and nonprofits.

The Columbus Urban League is planning to create a DEI performance Index for its corporate partners and other companies.

Nana Watson, president of the Columbus chapter of the NAACP, said her organization plans to send letters to major corporations in September asking about the number of Black people they have on their boards and in leadership positions, and how much money they spend at and with Black businesses.

In March, the NAACP asked 13 financial institutions for information, including the percentage of Black people in leadership and on boards, and engagement in Black communities.

One company – Fifth Third Bank – replied, Watson said.

“The NAACP saw this as a slap in our face,” she said.

More: Diversity efforts at The Dispatch

How can companies better measure DEI?

According to experts, companies could be more effective when it comes to tracking their DEI efforts. Many are too heavily focused on filling quotas instead of measuring true equity, said Ted Sun, president and chief innovations officer at Transcontinental University in Dublin, a business school offering MBA, PhD and corporate development programs.

He said DEI professionals should be working to change organizational systems, such as hiring, training, performance management and promotion structures.

They should be taking an inventory of each employee’s developmental needs and providing the necessary support, Sun continued. In addition, when companies send diverse employees through training programs, they should measure the rate of promotion of those particular employees, Sun said.

“Unfortunately, I don’t feel like we’re getting better,” he added. “It’s a lot of surface band-aids instead of working on systemic issues.”

Edward “Ned” Hill, an economics professor at Ohio State University, said DEI efforts have to go beyond recruiting and hiring to include mentoring.

“How do you go about listening? Do you empower all of your employees to speak? Are you listening to what they’re saying?” Hill said.

That goes to making sure that instructions are in Spanish, or Somali here in Columbus, when applicable, he said.

As labor force participation has declined, especially among Black and Latino women, what is being done to make sure there is adequate child care?, Hill asked. And what is being done in urban areas with poor public transit where it might take two hours to get to work?, he added.

Some companies are taking innovative steps. For example, Battelle implemented a networking program that pairs Black employees with members of the leadership team, who then become advocates for them.

Battelle tracks the number of participants who are selected for company projects, as well as the number of participants who are promoted.

“I’m very optimistic because I’ve never seen this much movement,” said Battelle CEO Lewis “Lou” Von Thaer. “Early data looks promising.”

Sticking to the Plan

In 2020, Haley Boehning, co-founder and principal at the Columbus marketing agency Storyforge, worked with John Lowe, CEO of Jeni’s Splendid Ice Creams, on a letter Columbus business leaders wrote in support of a Columbus City Council resolution declaring racism a public health crisis.

Boehning, who also co-founded the Columbus chapter of Conscious Capitalism, said that in the past two years, local businesspeople and leaders are recognizing the magnitude of the change needed in their organizations.

Measuring the makeup of employees is one thing, she said. But if leaders are focused just on that, they could be looking at false positives and negatives, she said.

“Sometimes the most important stuff to change is hardest to measure,” Boehning said.

It can be hard to change course at institutions with decades behind them, or at smaller family businesses, she said.

“Is this all they have known?” she said. “It really takes insight and a different way of thinking and mindset that needs to be established.”

Dionissi Aliprantis, assistant vice president of the Federal Reserve Bank of Cleveland’s Program on Economic Inclusion, said officials plan to meet with companies to discuss DEI efforts and how effective they’ve been.

“There’s always a danger in any effort or initiative that it loses steam and momentum,” Aliprantis said.

“There are reasons to suspect it will take a long time,” he said. "So it’s going to take sustained effort."

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