

# UNC Leadership Survey 2016: Diversity Competencies for Leadership Development



UNC  
KENAN-FLAGLER  
BUSINESS SCHOOL

# Research Framework

The growth of a truly global labor market and the rise of international organizations create an increased need for more culturally agile, inclusive work environments. The global workforce is becoming more diverse, and many organizations are expanding the scope of Diversity & Inclusion efforts to reflect the changing workforce. Leadership is critical to growing and fostering a culture of diversity and inclusion, and how well leaders utilize the diversity in their organizations to create value can be a key differentiator.

- How are organizations redefining the competencies their leaders need to manage a more diverse, globally distributed workforce?
- What qualities are they focusing on?
- How are leaders asked to support diversity and inclusion goals?
- How is success measured?

UNC Kenan-Flagler Business School, in partnership with CLO, Talent Management, and Workforce magazines, conducted the 2016 Diversity Competencies for Leadership Development Survey to address these questions.

# Methodology

- **Secondary Research**
- **Quantitative Survey**  
n = 779 completed surveys
- **White Paper (to follow in May, 2016)**  
The white paper will reflect the results of the survey data and will also include contextualizing academic and industry data where appropriate, including the Talent Management Diversity & Inclusion State of the Industry survey data.

# Respondent Breakdown

## Number of Employees

Less than 1000	40.5%
1,000 - 2,500	13.6%
2,500 - 5,000	10.8%
5,000 - 10,000	7.7%
More than 10,000	27.3%

## Geographic Distribution of Employees

1 country/1 location	26.7%
1 country/multiple locations	33.9%
1 country w/some global distribution	13.7%
Highly distributed with multiple global locations	25.7%

## Gender of CEO/Executive Leader

Male	78.2%
Female	21.8%
Transgender	0.0%

## Job Title

President, CEO, Owner, Partner, Principal	11.9%
VP level (HR, TM, L&D, or D&I)	12.3%
Director level (HR, TM, L&D, or D&I)	21.7%
Manager level (HR, TM, L&D, or D&I)	22.7%
HR generalist	7.2%
Line of business management	6.7%
Other	17.5%

## Functional Area

Diversity & Inclusion	7.0%
Talent Management	14.0%
Learning & Development	21.1%
Workforce Management	2.7%
Human Resources	23.6%
Line of business	6.2%
Administration/Mgmt/Corp functions	13.6%
Other	11.8%

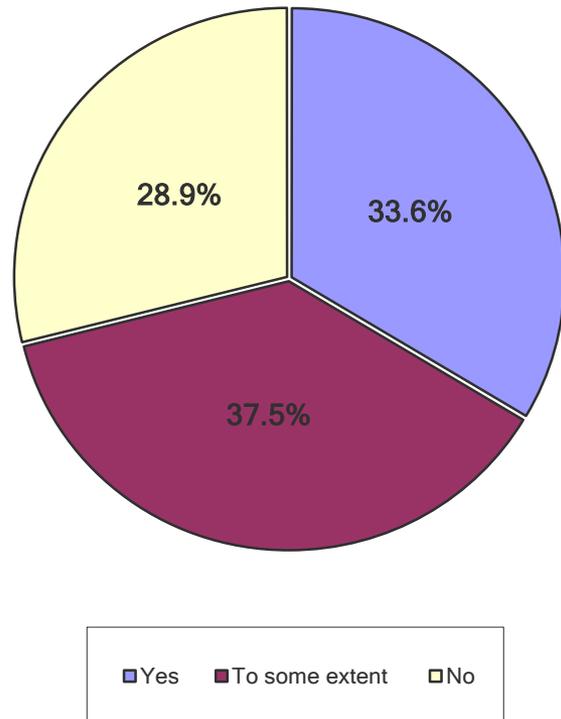
Note: n = 779. Only percentages above 2% are displayed.

# THE CURRENT STATE OF DIVERSITY COMPETENCIES FOR LEADERSHIP DEVELOPMENT



# D&I Competencies in Leadership Development

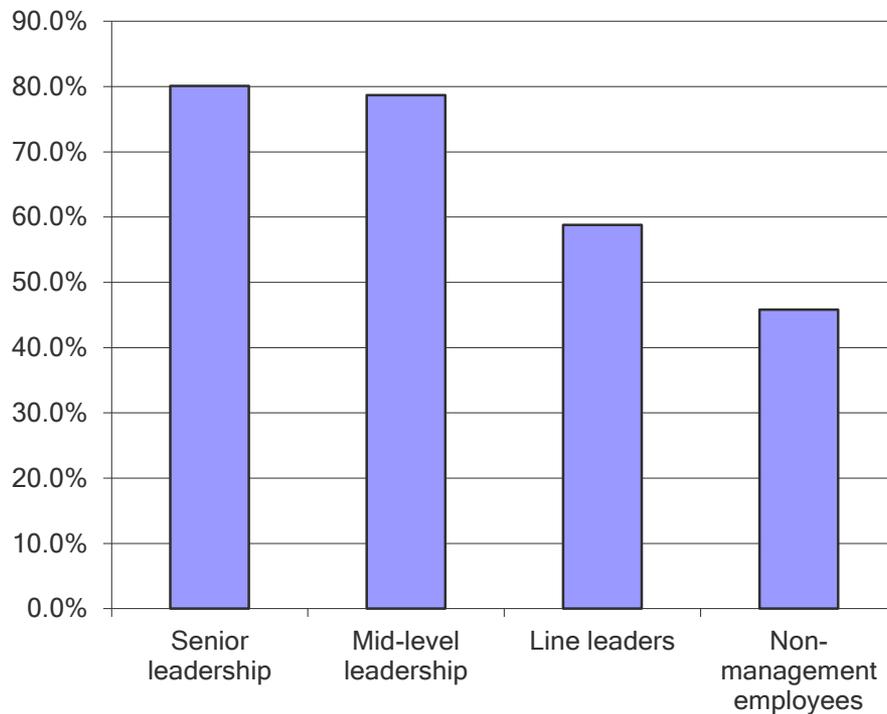
**Does your organization have diversity & inclusion competencies as part of its leadership development?**



- 33.8% of organizations specifically include D&I competencies as part of their leadership development, and an additional 37.5% include them to some extent.
- Only 29% of organizations do not include D&I competencies as part of their leadership development efforts.

# D&I Competencies Are Focused on Senior Leaders

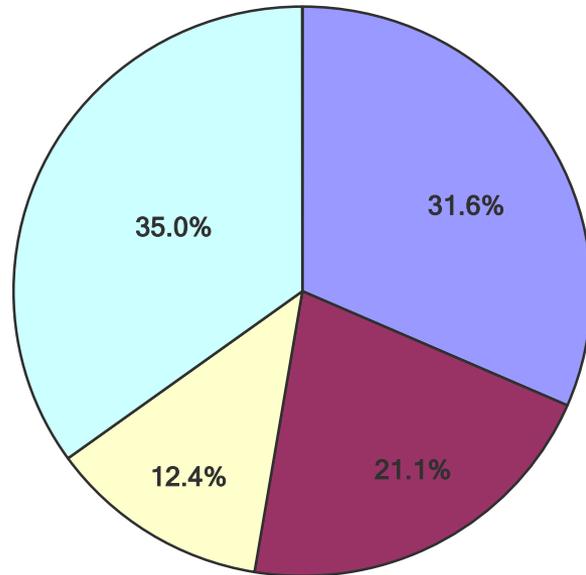
**In which career levels are diversity & inclusion competencies developed at your organization? (Please select all that apply.)**



- Of those organizations that have D&I leadership competencies, they are more likely to be developed for the more senior levels of leadership (senior and mid-level leaders at about 80%) and less likely to be developed for line leaders and non-management employees (59% and 46%, respectively).

# Recent Changes in D&I Leadership Competencies

**Have your organization's diversity & inclusion competencies changed recently? (Please select all that apply.)**

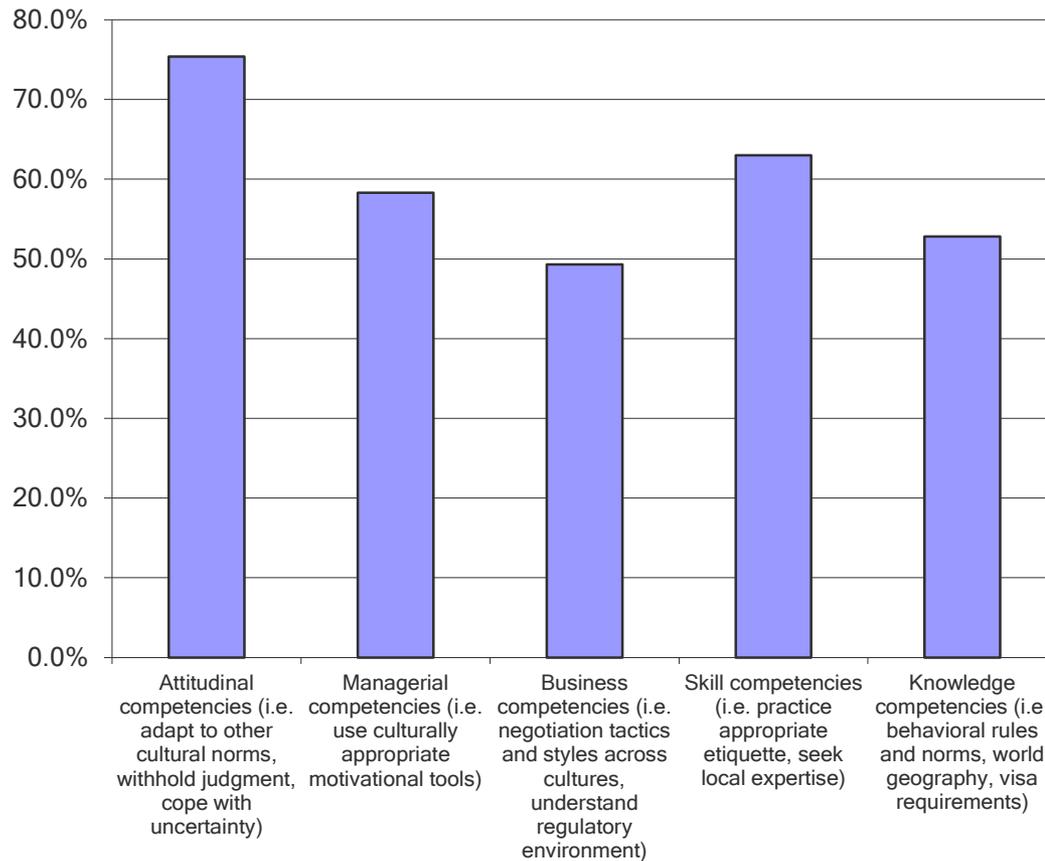


- Yes, they've changed in the past three years.
- Yes, they were created for the first time in the past three years.
- No, but we plan to change them soon.
- No, these competencies have been in place for the past three years.

- 53% of organizations have either changed their D&I competencies or developed them for the first time in the past three years.
- An additional 12% of organizations say they plan to change them soon.
- The remaining 35% of organizations report that their D&I competencies have been in place for the last three years.

# Types of D&I Competencies

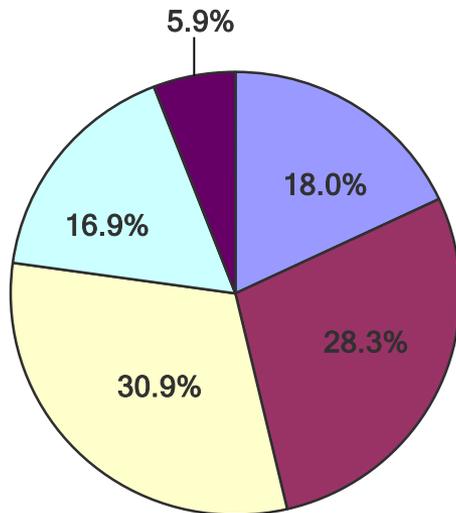
**What kinds of diversity & inclusion competencies are in place at your organization? (Please select all that apply.)**



- The most commonly used kinds of D&I leadership competencies are attitudinal at 75% and skill-related at 63%.
- Business competencies are the least common at 49%, which is still fairly high.
- Around half of organizations have developed D&I leadership competencies across several broad areas.

# Maturity of D&I Functions within Organizations

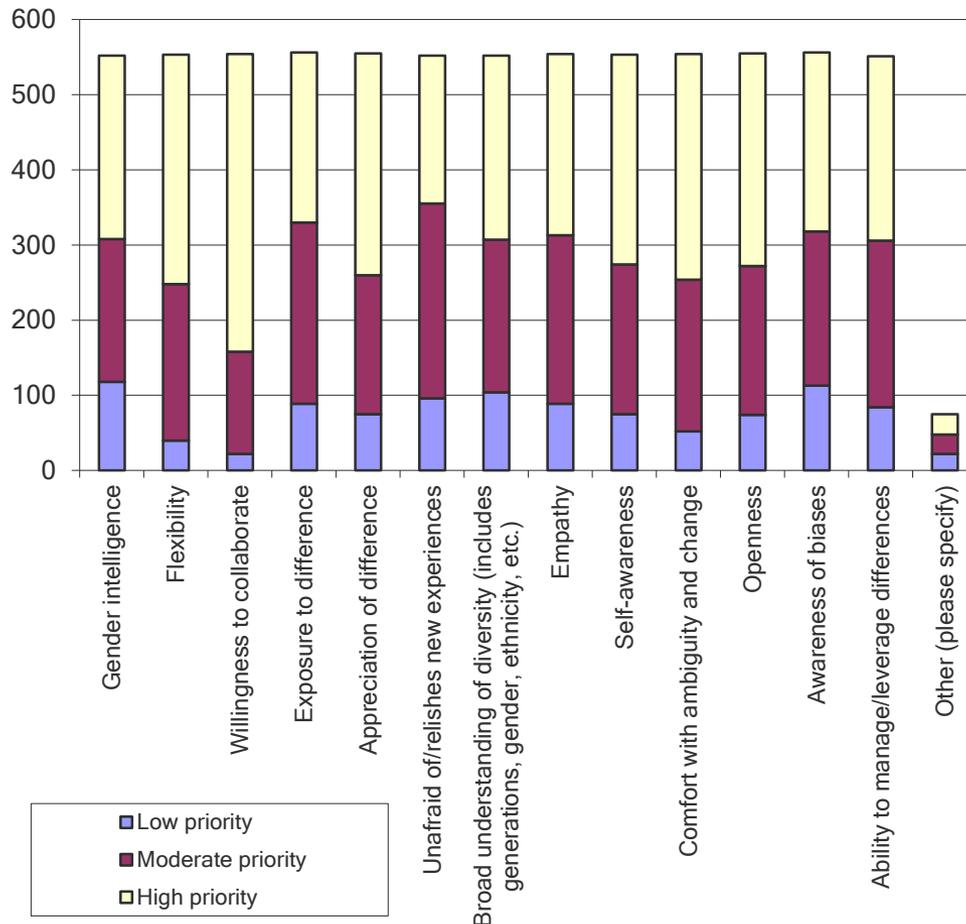
**At what stage of development is the D&I function in your organization?**



- Undeveloped: Not a priority.
- Beginning: Internal focus on existing employees, but not a strategic priority.
- Intermediate: We identify and leverage diversity sourcing of candidates, leverage employee network groups.
- Advanced: We have formal D&I-related development. D&I is as strategic priority internally and externally in our client and supplier relationships and is openly discussed with all constituents.
- Vanguard: Leaders are held accountable to diversity metrics, training and goals. Our workforce and leaders understand inclusion, unconscious bias and how to manage/leverage differences. We make the connection to innovation. Our talent systems are inclusive, transparent, and understood.

# Critical Qualities for Culturally Sensitive Leaders

**At your organization, what qualities are considered critical for a culturally sensitive leader?**



The high priority qualities considered critical for culturally sensitive leaders are:

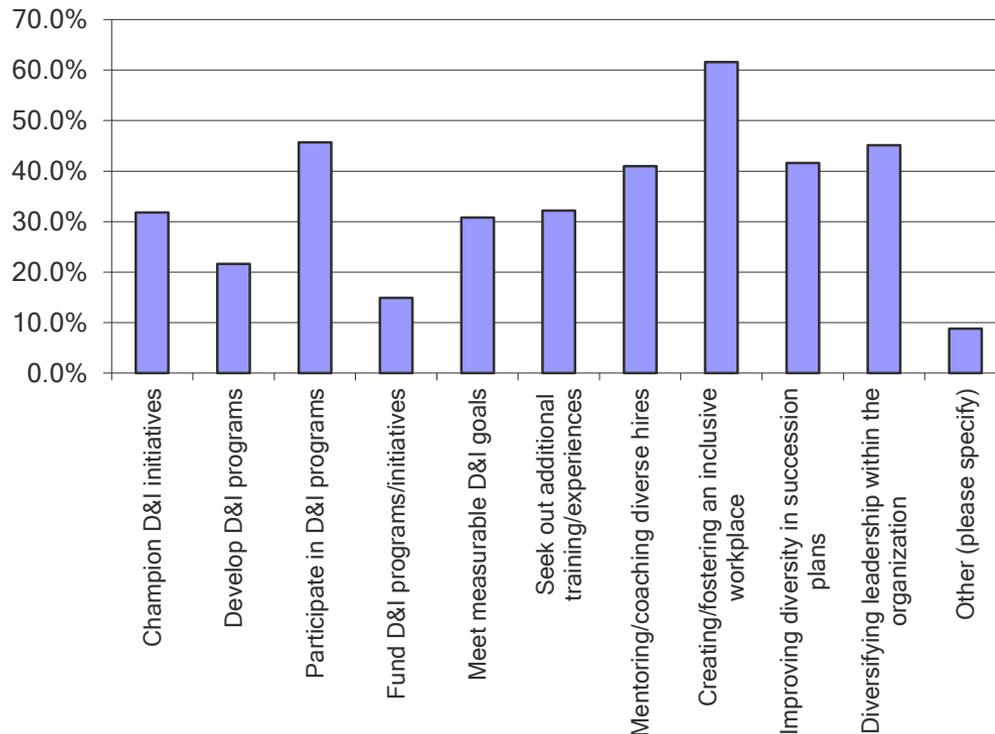
- Willingness to collaborate (71%)
- Flexibility (55%)
- Comfort with ambiguity and change (54%)
- Appreciation of difference (53%)
- Openness (51%)

The lower priority qualities are:

- Unafraid of/relishes new experiences (17.4%)
- Broad understanding of diversity (18.8%)
- Awareness of biases (20.3%)
- Gender intelligence (21.4%)

# Diversity & Inclusion Goal Accountability Amongst Leaders

What diversity & inclusion goals are leaders held accountable for at your organization? (Please select all that apply.)

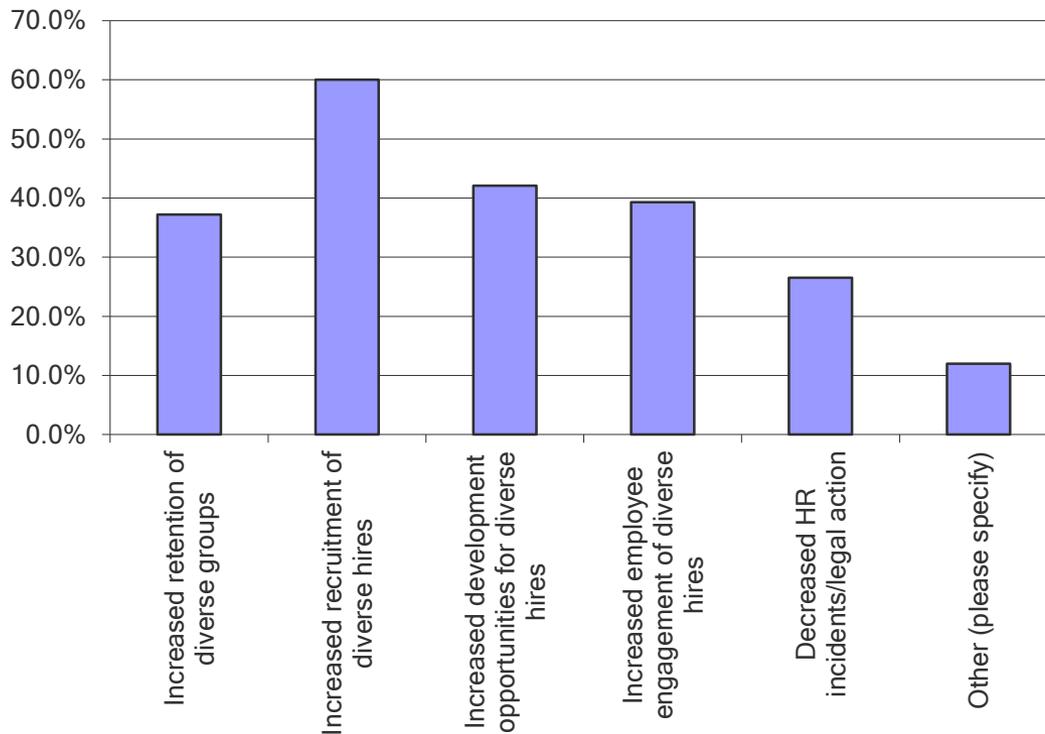


The D&I goals that leaders are most likely to be held accountable for are:

- Creating/Fostering an inclusive workplace (62%)
- Participating in D&I programs (46%)
- Diversifying leadership within the organization (45%)

# Common Diversity & Inclusion Performance Targets

Which of the following diversity & inclusion performance targets or goals are set for leaders at your organization? (Please select all that apply.)

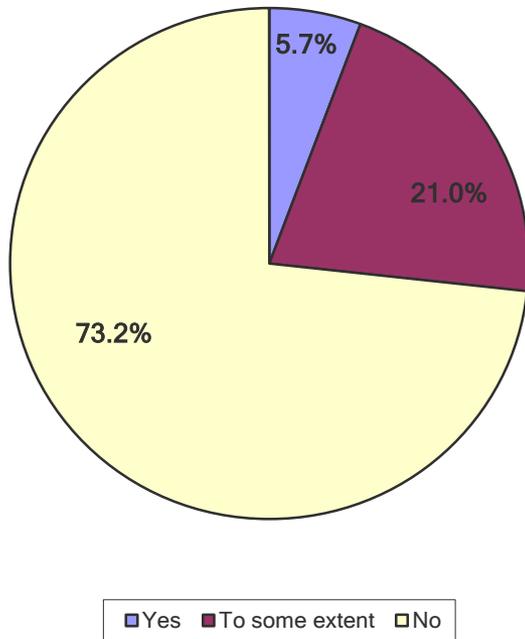


The most common D&I performance targets set for leaders are:

- Increased recruitment of diverse hires (60%)
- Increased development opportunities for diverse hires (42%)
- Increased employee engagement of diverse hires (39%)

# Diversity & Inclusion Performance Targets Not Usually Tied to Performance Bonuses

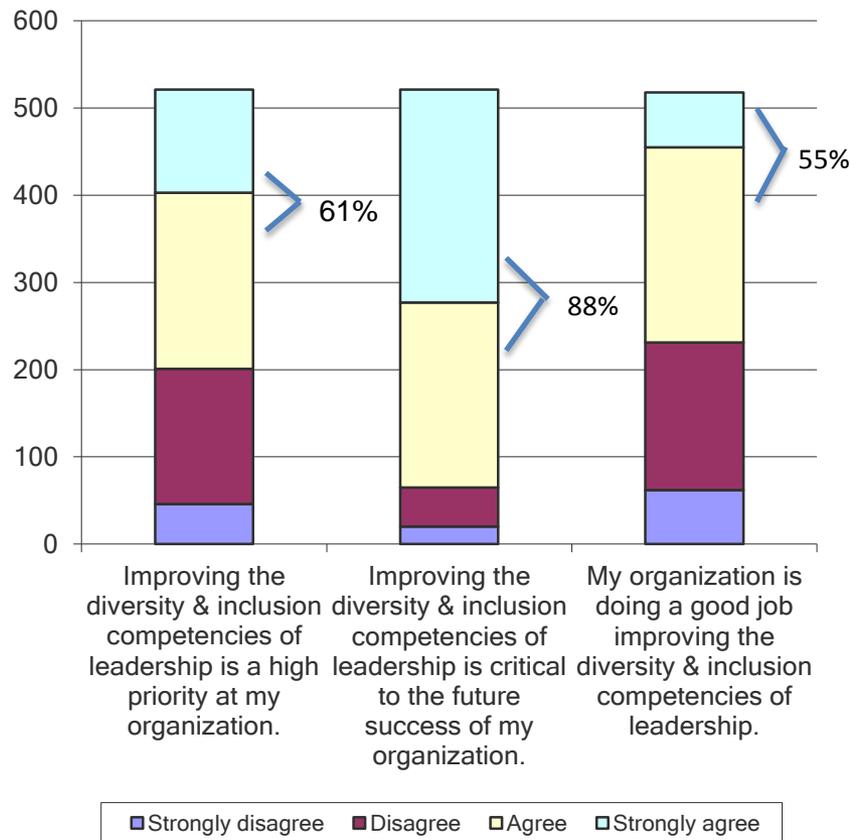
**Are diversity & inclusion performance targets tied to performance bonuses for leaders at your organization?**



- The majority (73.2%) of respondents say that D&I performance targets are not tied to performance bonuses for leaders at their organizations.
- 21% say that the targets are somewhat tied to performance bonuses.
- Only 5.7% of respondents reported that D&I performance targets are tied to performance bonuses.

# The Importance of Improving Diversity & Inclusion Competencies

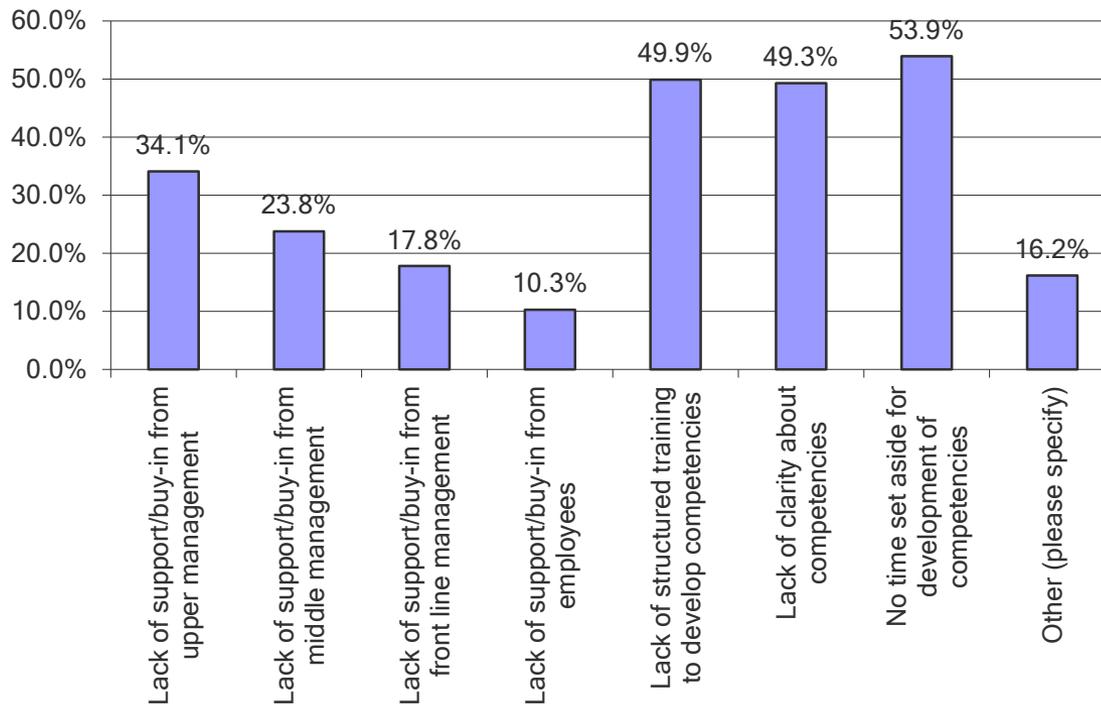
Please indicate your level of agreement with the following statements:



- 61% of organizations say that improving D&I competencies of leadership is a high priority at their organization.
- 88% say that improving leaders D&I competencies is critical to their future success.
- But only 55% agree that they are doing a good job improving D&I competencies of leaders at their organizations.

# Roadblocks Inhibiting the Development of Diversity & Inclusion Competencies

What roadblocks are inhibiting the increase of leadership diversity competencies at your organization? (Please select top three roadblocks.)

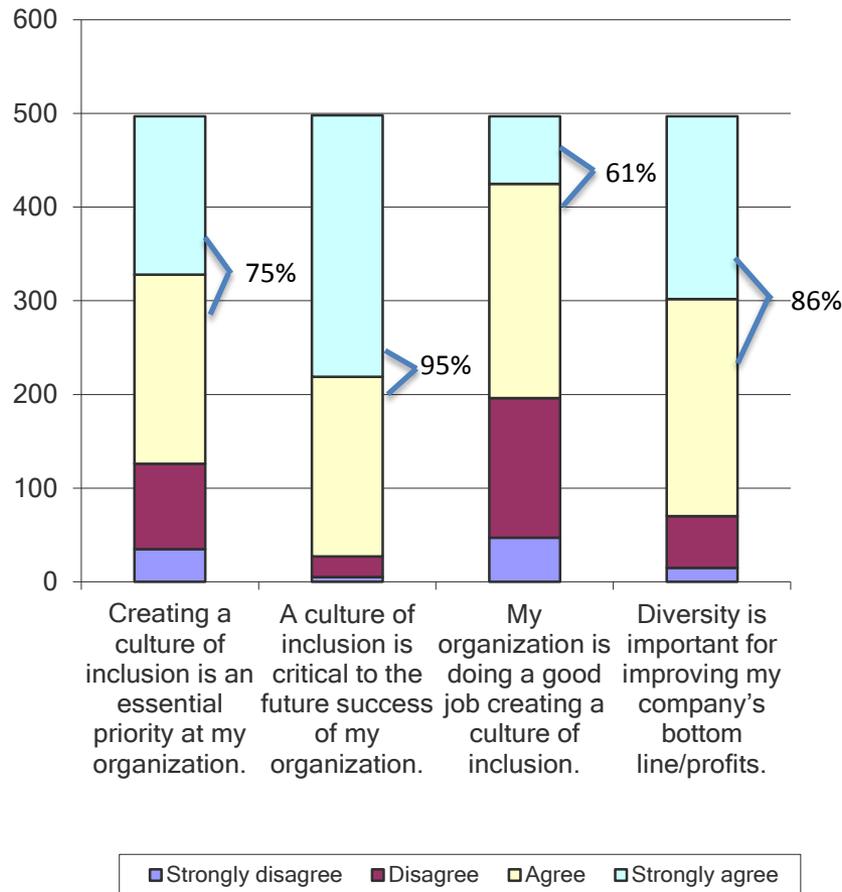


The top challenges inhibiting the increase of leadership diversity competencies are:

- Not enough time set aside for development of competencies (54%)
- Lack of structured training to develop competencies (50%)
- Lack of clarity about competencies (49%)

# Commitment Towards Creating a Culture of Inclusion

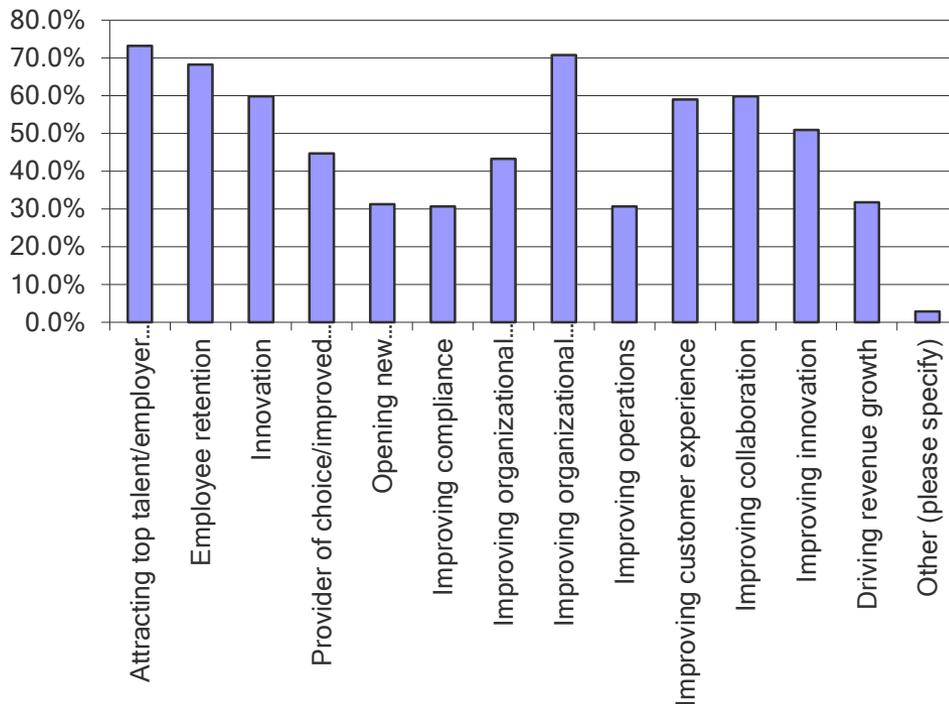
Please indicate your level of agreement with the following statements:



- 75% of organizations say that creating a culture of inclusion is currently an essential priority for them.
- 95% believe that creating a culture of inclusion is critical to the future success of their organization.
- 86% say that diversity is important for improving bottom line profits.
- 61% of organizations report that they are doing a good job creating a culture of inclusion.

# Business Objectives Directly Impacted by a Culture of Inclusion

What business objectives at your organization are directly impacted by a culture of inclusion? (Please select all that apply.)

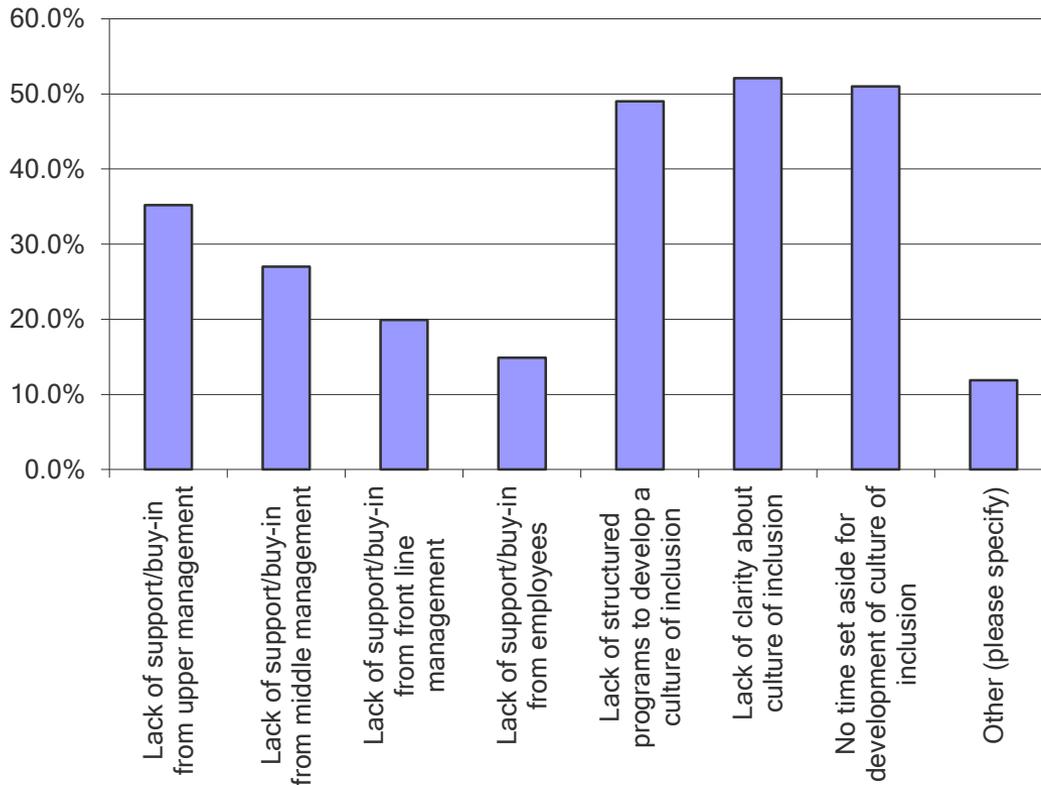


The top five business objectives that are directly impacted by a culture of inclusion are:

- Attracting top talent/ employer of choice (73.2%)
- Improving organizational culture/behaviors (70.7%)
- Employee retention (68.3%)
- Innovation (59.8%)
- Improving collaboration (59.8%)

# Roadblocks Inhibiting the Development of a Culture of Inclusion

What roadblocks are inhibiting the creation of a culture of inclusion at your organization? (Please select top three roadblocks.)

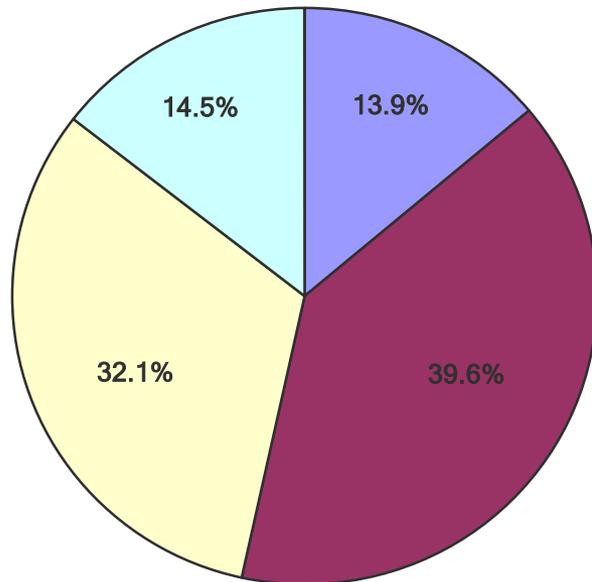


The top challenges inhibiting the development of a culture of inclusion are:

- Lack of clarity about a culture of inclusion (52.1%)
- No time set aside for development of a culture of inclusion (51%)
- Lack of structured programs to develop a culture of inclusion (49%)
- Lack of support/buy-in from upper mgmt. (35.2%)
- Lack of support/buy-in from middle mgmt. (27%)
- Lack of support/buy-in from front-line mgmt (19.9%)
- Lack of support/buy-in from employees (14.9%)

# Level of Confidence in Achieving Diversity & Inclusion Goals

Overall, how confident are you in your organization's ability to achieve its diversity & inclusion goals?



- 54% of organizations say that they are confident or very confident in their ability to achieve their diversity and inclusion goals.
- About a third (32.1%) are only slightly confident and 14.5% are not confident at all that they can achieve these goals.

■ Very confident ■ Confident □ Slightly confident □ Not confident at all

Kenan-Flagler Business School  
The University of North Carolina at Chapel Hill  
Chapel Hill, NC 27599-3445  
[www.kenan-flagler.unc.edu](http://www.kenan-flagler.unc.edu)



UNC  
KENAN-FLAGLER  
BUSINESS SCHOOL

Shaping Leaders & Driving Results®