**NRF** National
Retail
Federation

# 2021 Diversity and Inclusion Benchmarking Survey

The survey was conducted between August 17 – September 10. NRF received 68 full and partial responses.

## Contents

## Key Findings

- Priorities are concentrated on **hiring and employee education initiatives**. Areas like vendor or supplier diversity and mentorship programs rank slightly lower than they did last year.
- Retailers face many of the same challenges around recruiting qualified diversity hires and resources as last year. But many also cited issues around scaling efforts across their organization.
- In terms of how retailers are addressing their key priorities, **the focus is primarily on training, establishing recruitment partnerships and targeted sourcing**. Setting quotas or metrics around hiring and establishing mentorship programs were much less common.
- **Retailers have made strides in terms of communicating diversity priorities** to key stakeholders such as employees and the board as well as ensuring individuals involved in hiring understand that diversity is a corporate priority.
- However, respondents **were less likely to agree** that minorities and women are well represented as mentees or that they have sponsors in the organization. Additionally, there **appears to be a shift away from monitoring assignment systems** to ensure equitable access.
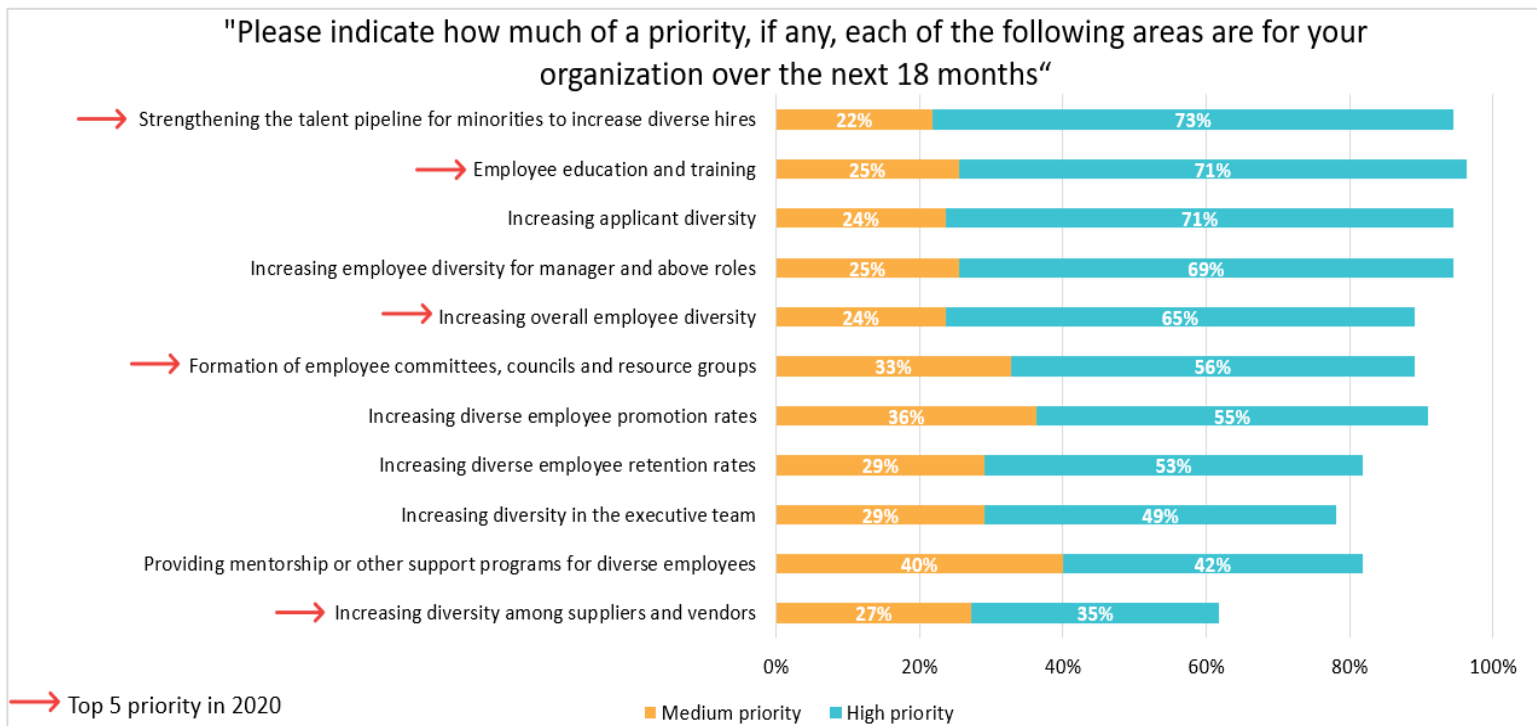
## D&I Leadership

**Question 7:** "Who ultimately leads diversity and inclusion efforts within your organization?"

- In most cases, Human Resources (55%) leads D&I efforts, followed by a Separate Diversity Officer (25%)

## Priorities and Challenges

**Question 8:** "Please indicate how much of a priority, if any, each of the following areas are for your organization over the next 18 months"

- The following are the highest D&I priorities (percent "High priority"). Retailers' priorities have narrowed from a broader range in 2020.
    1. 73% - Strengthening the talent pipeline for minorities to increase diverse hires
    2. 71% - Employee education and training on issues such as unconscious bias and micro-aggression
    3. 71% - Increasing applicant diversity



"Please indicate how much of a priority, if any, each of the following areas are for your organization over the next 18 months"

| Area | Medium priority | High priority |
|---|---|---|
| Strengthening the talent pipeline for minorities to increase diverse hires → | 22% | 73% |
| Employee education and training → | 25% | 71% |
| Increasing applicant diversity | 24% | 71% |
| Increasing employee diversity for manager and above roles | 25% | 69% |
| Increasing overall employee diversity → | 24% | 65% |
| Formation of employee committees, councils and resource groups → | 33% | 56% |
| Increasing diverse employee promotion rates | 36% | 55% |
| Increasing diverse employee retention rates | 29% | 53% |
| Increasing diversity in the executive team | 29% | 49% |
| Providing mentorship or other support programs for diverse employees | 40% | 42% |
| Increasing diversity among suppliers and vendors → | 27% | 35% |

→ Top 5 priority in 2020

**Question 9:** "What **other** diversity and inclusion areas are a priority for your organization priorities over the next 18 months?"

- Retailers are also focused on reaching diverse communities through marketing and increased representation in marketing efforts as well as community engagement and partnerships
    - *Merchandising and Marketing specific to diverse communities*
    - *Marketing – Reflect the full spectrum of diversity in our marketing, Customer – welcome, accept, and respect all our customers, Community – drive impact through community relationships that reflect our goals and values*
    - *Increased representation in marketing, increased focus with meaningful community partnerships delivering quality service for all customers*

**Question 10:** "Does your organization face any of the following challenges when it comes to diversity and inclusion initiatives? Please select all that apply"

- Retailers' biggest challenges are:
    1. 58% - Recruiting qualified diversity candidates
    2. 55% - Lack of current representation in organization
    3. 47% - Limited staff
    4. 47% - Scaling efforts across organization

## Recruitment and Hiring

**Question 11:** "What are your organization's plans to implement or utilize the following recruitment and hiring processes?"

- The top recruitment and hiring processes retailers have already implemented or are currently implementing are:
    1. 77% - Partnerships with external organization and universities to build candidate pipelines and advertise job opportunities
    2. 77% - Unconscious bias training for all individual involved in the hiring process (e.g., recruiters, hiring managers, interviewers)
    3. 71% - Targeted sourcing methods (e.g., participate in job fairs for women and minorities, recruit at HBCUs)

**Question 12:** "What other initiatives relating to diversity in recruitment and hiring does your organization have planned over the next 18 months?"
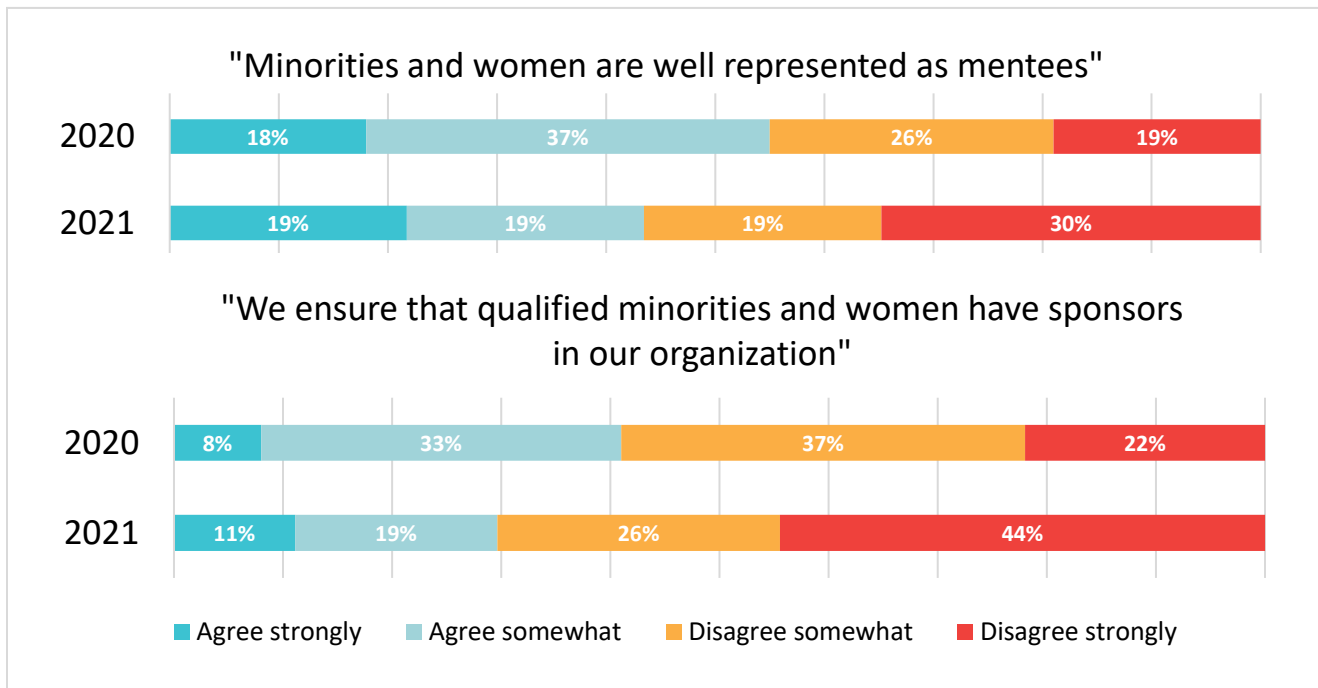
- While there is a strong focus on diversity as a general goal in hiring practices, only one respondent referenced a program specifically addressing diversity in higher-level positions. This is in-line with "Increasing diversity in the executive team" as a low priority in Question 8.
    - *Internal sourcing to promote diverse entry level to manager levels*
    - *Job posting screening for specific words or potential flags that could prevent someone from applying*
    - *Regional training and managers growing in their ability to coach and find diverse candidates.*

## Mentorship and Development

**Question 15: "**How much do you agree or disagree with the following statements regarding your organization's formal mentoring and sponsorship programs"

- 26% of respondents agree with the statement "Sponsors are given training in diversity, equity, inclusion, and/or related topics"
    - There is not comparable 2020 data
- 37% of respondents agree that minorities and women are well represented as mentees, down from 55% in 2020.

- 30% of respondents ensure qualified minorities and women have sponsors in their organization, down from 41% in 2020.
  - Given the small sample size for 2021, findings should be taken directionally only.

### "Minorities and women are well represented as mentees"

| | Agree strongly | Agree somewhat | Disagree somewhat | Disagree strongly |
|---|---|---|---|---|
| 2020 | 18% | 37% | 26% | 19% |
| 2021 | 19% | 19% | 19% | 30% |

### "We ensure that qualified minorities and women have sponsors in our organization"

| | Agree strongly | Agree somewhat | Disagree somewhat | Disagree strongly |
|---|---|---|---|---|
| 2020 | 8% | 33% | 37% | 22% |
| 2021 | 11% | 19% | 26% | 44% |

■ Agree strongly   ■ Agree somewhat   ■ Disagree somewhat   ■ Disagree strongly

**Question 16:** "Do you monitor assignment systems to ensure minorities and women have equitable access to "stretch assignments" and other development opportunities?"

- 10% monitor assignment systems at least annually. Another 7% monitor assignment systems, but on a less frequent basis.
- Almost half (49%) of retailers say they do not monitor assignment systems, and do not have plans to implement such programs. This is up from 32% in 2020.
- 34% are planning to implement assignment monitoring systems.

## D&I Communication

**Question 17:** "How frequently does senior leadership communicate with the following audiences on the importance of diversity and inclusion to your organizations' overall corporate success?"

- Most report that senior leadership communicates on these issues on a quarterly basis when communicating with Employees, Investors, and the Board, and on an ad hoc basis when communicating with customers, non-employee workers, and suppliers and other business partners.
- Communication by senior leadership to employees, investors, and the board on the importance of D&I to the organizations' success has increased since 2020.

| Senior leadership communicating the importance of D&I to the organization's success | | |
|---|---|---|
| | 2020 | 2021 |
| Employees | 97% | 100% |
| Investors | 55% | 61% |
| Board | 81% | 90% |

## Reporting Metrics and Performance

**Question 21:** "What are your plans regarding regular reporting (at least annually) on D&I metrics and performance?"

- A substantial majority of retailers have implemented regular communications of D&I metrics and performance to their Senior Executive Leadership team (77%) and Board of Directors (62%), however only 18% reports to the general public or other third-party stakeholder groups.
  - Both Senior Executive leadership team and Board of Directors categories have seen an increase since 2020

| | 2020 Implemented | 2021 Implemented |
|---|---|---|
| Reports to Senior Executive leadership team | 64% | 77% |
| Reports to the Board of Directors | 43% | 62% |

## Resources

**Question 23:** "How interested are you in the following tools or resources in the following areas?"

- Respondents are most interested in resources regarding Recruitment (86%), Retention (78%), and Measuring Diversity (78%).



"How interested are you in the following tools or resources in the following areas?"