



Workplace Inclusion & Equity Report

October 2021



Kanarys

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Acknowledgment

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Executive Summary

Kanarys, Inc. is a technology company that provides the data and tools organizations need to create long-term systemic change around Diversity, Equity, and Inclusion (DEI) challenges. Kanarys' platform provides the framework, benchmarking and data organizations need to incorporate best-in-class DEI into every area of the organization, so they can track and measure impact on business outcomes. Prospanica, founded in 1988, has advocated for Hispanic business professionals for over 30 years. They are nationally recognized and the premier nonprofit dedicated to developing Hispanic talent and growing the number of Hispanic professionals represented in the industries of America.

Prospanica and Kanarys have partnered to assess diversity efforts in a variety of corporate workplaces for Hispanic/Latinx employees, including assessing how these employees' experiences differ based on their race, ethnicity, gender, LGBTQ+, parental, religious, disability and professional status with a focus on how the intersectionality of their identities impact their experience. The 2021 Prospanica Workplace Inclusion & Equity 2021 Report presents the latest trends in diversity and inclusion and provides key findings and insights. The report compares Prospanica data from this assessment to the data collected by Kanarys through various assessments, market research and partnerships with the purpose of exploring the challenges that Hispanic/Latinx professionals face in the workplace.

The key findings from our assessment are:

- Hispanic/Latinx professionals are **35% less likely** than Non-Hispanic/Latinx professionals to have a favorable DEI experience at their workplaces.
- Hispanic/Latina women professionals have the least favorable experience and are nearly **½ as likely** as all Non-Hispanic/Latinx professionals to feel positive about their workplace DEI experiences.
- **50%** of Hispanic/Latinx professionals have personally witnessed or experienced discrimination or bias at work.
- **63%** of Hispanic/Latinx professionals feel the burden of having to educate people on DEI.
- Hispanic/Latinx professionals are **53% less likely** than Non-Hispanic/Latinx professionals to feel included.
- Hispanic/Latina women professionals are **53% less likely** to feel comfortable expressing all aspects of their identities in the workplace.

Though the business case is stronger than ever for DEI, the reality is that progress is slow, and the programs companies launch are not yielding the results expected. Although nearly all companies have diversity programs in place, only about a quarter of employees in underrepresented groups said that they have personally benefited.¹ For this reason it is important for companies to assess their employees specifically on DEI issues and initiatives. The companies that do request feedback from their employees about DEI usually

do so through engagement surveys in an attempt to understand their lived experiences, but the validity of their results can vary depending on the trust individuals have in their organization. Also, companies that rely on feedback from their employees, while not being able to ensure their anonymity, can burden those who are most at risk.

As corporate America reprioritizes DEI, we know we need to shift the emphasis from one size fits all diversity initiatives that have little impact to inclusive, sustainable strategies that address the root issues. As demographic-specific and intersectionality-focused tools and knowledge become more readily available, organizations will be better enabled to make prescriptive decisions based on the workplace challenges experienced by their underrepresented employees. Shifting to a data-driven DEI approach demonstrates the importance of the research that Kanarys is able to safely and collaboratively collect as a third party with companies and affinity-based professional organizations. Together we can innovatively pave the way forward to make every workplace more engaged, more valuable to a company's bottom line and, ultimately, a place where everyone belongs.

Introduction and Background

Prospanica's mission is to empower and enable Hispanic professionals to achieve their full educational, economic and social potential. Prospanica was founded in 1988, originally as the National Society of Hispanic MBAs (NSHMBA). In 2016, as the Hispanic/Latinx representation continued to occupy a growing portion of the nation's demographics, Prospanica broadened its mission to serve all Hispanic professionals. Today, the organization has 47 professional chapters and university chapters across the U.S. and Puerto Rico and includes a membership base of over 30,000 Hispanic professionals and students. This report presents a picture of the current representation and experiences of Hispanic/Latinx employees across a range of professions in the corporate and business world.

U.S. Hispanic/Latinx corporate representation is still limited compared to the Hispanic/Latinx population as a whole in the U.S. The data below highlights continuing disparities concerning Hispanic/Latinx professionals²:

- **The percent of Hispanics hired decreased from nearly 18% in 2020 to 13% in 2021.**
- As many employees began working from home, programs such as internships were decreased or dropped entirely. **Hispanic intern representation decreased from 14% in 2020 to 12% in 2021.**

Overview of Demographics

In recent years, corporate workplaces have become more diverse and more accurately represent the country's demographics. However, Hispanic/Latinx employees remain largely underrepresented in corporate America.

- As of 2017, Hispanic/Latinx professionals occupy only 4.3% of executive positions in corporate America.³
- Currently, 8% of all managerial and 6% of all professional positions in the U.S. are Hispanic/Latinx.³

According to the U.S. Census, 19% of the population identifies as Hispanic/Latinx while 81% are Non-Hispanic/Latinx. (as shown in Chart 1).

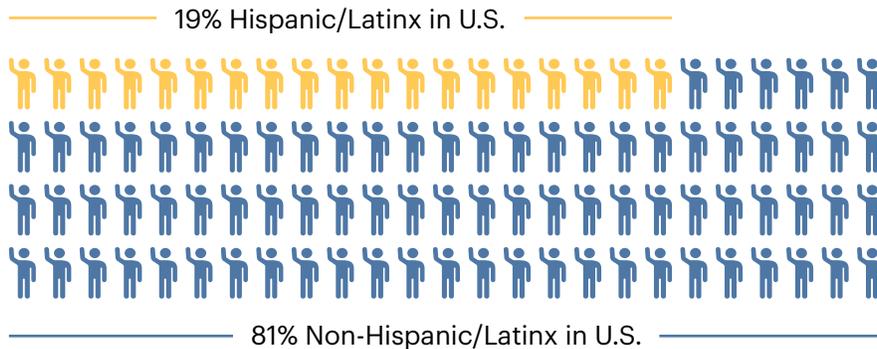


Chart 1

In the data collected by Kanarys, 17% of individuals assessed identify as Hispanic/Latinx. This very closely reflects the 19% of Hispanic/Latinx in the U.S. population, allowing us to make relevant insights about the Hispanic/Latinx experience in corporate America (as shown in Chart 2).

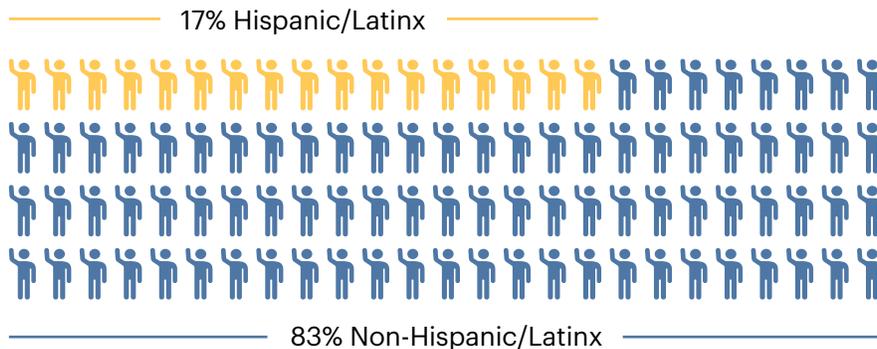


Chart 2

Most of the respondents were business professionals (65%), while 34% of them were students. Males (54%) slightly outnumbered females (46%), with a very small percentage of non-binary respondents (as seen in Chart 3).

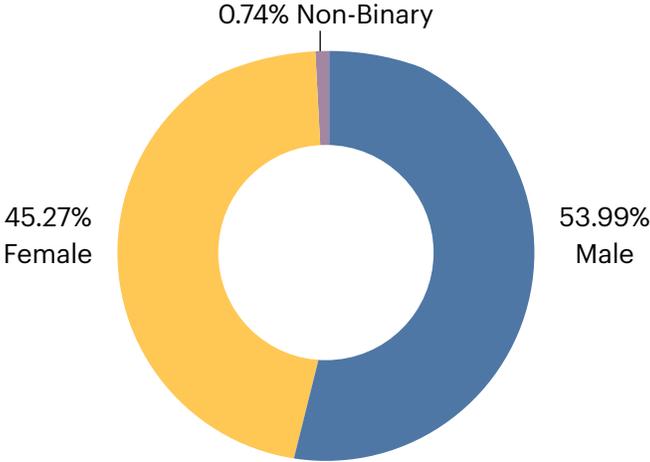


Chart 3 Response by Gender

The respondents belonged to a range of industries including retail, technology, finance, education, professional services, nonprofits, private equity, contractors and real estate (as seen in Chart 4).

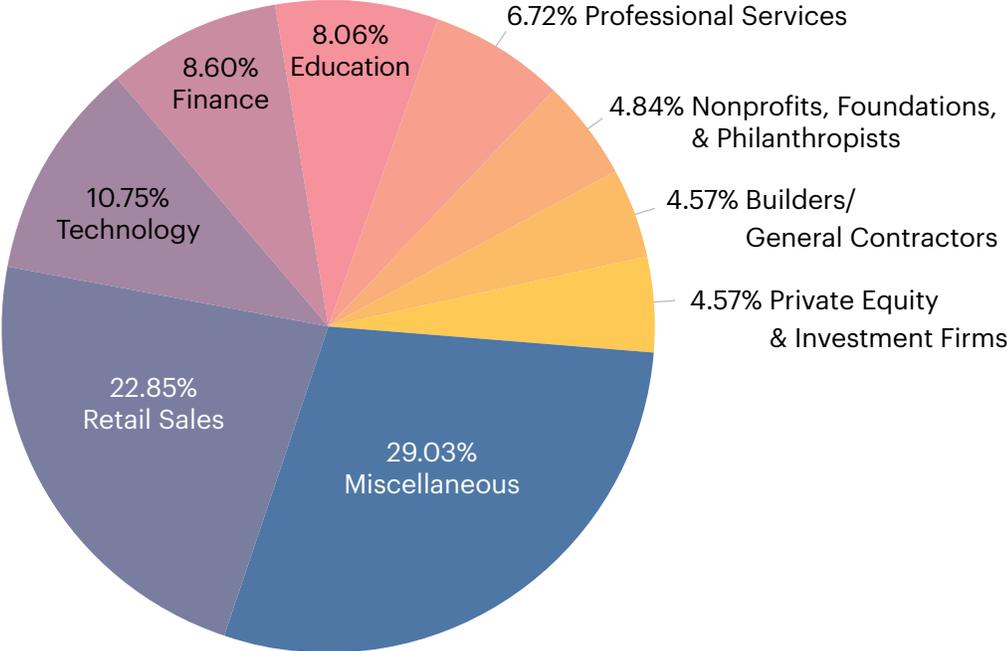


Chart 4

Assessment Overview

The survey gathered general demographic information such as gender, race, LGBTQ+, parental, religion, disability and professional status. Additionally, there were three broad categories of questions in the survey: demographics, DEI multiple-choice questions, and open-ended questions.

The DEI questions belonged to a wide range of themes such as career advancement, freedom of expression, organizational commitment to DEI, training, education, and anti-discrimination. These multiple-choice questions used a five-point agreement scale ranging from “Strongly Agree” to “Strongly Disagree” and also included a “Not Applicable” option.⁴

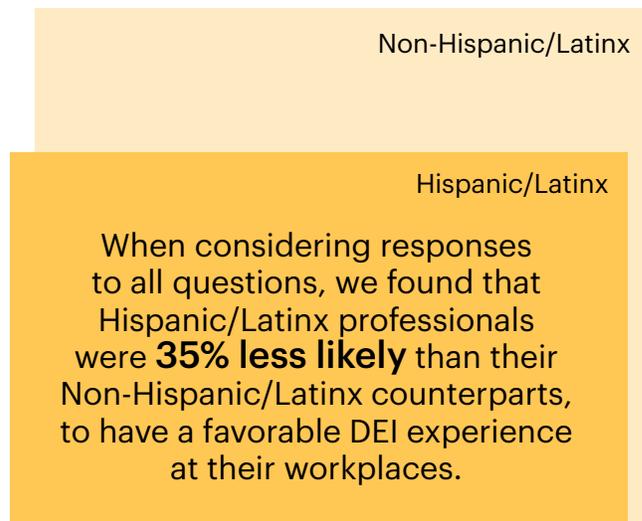
The open-ended questions were formulated to allow respondents to describe the state of DEI in their respective organizations.

Key Findings

Employees’ experiences in the workplace are influenced by multiple factors such as representation, leadership accountability, perception of fairness and their sense of belonging in an organization. Their overall experiences are negatively impacted by an implicit and explicit racial bias which translates to negative financial outcomes.

Racial bias in the workplace is annually costing U.S. businesses \$54.1 billion in increased absenteeism, \$58.7 billion in lost productivity, and \$171.9 billion in turnover.³ When we looked at the experiences shared by Hispanic/Latinx employees and compared them with their Non-Hispanic/Latinx counterparts, **we found that Hispanic/Latinx employees had less favorable experiences than Non-Hispanic/Latinx individuals.**

Career
Advancement
50%
less likely to feel they
are given opportunities



Focusing on race and gender intersectionality, we found that Hispanic/Latinx women have the least favorable experience, as they are **53% less likely** than all Non-Hispanic/Latinx professionals to feel positive about their workplace DEI experiences.

“Women are still a minority in my department and are held to a higher standard than men. Women are also scrutinized much more than men; the culture towards women borders on hostile.”

– Female Prospanica Member



“There is a lack of equity at the leadership level, and external male candidates with less experience are hired for roles over more qualified internal female employees.”

– Female Prospanica Member

General Sentiment of Hispanic/Latinx Professionals

In order to get a comprehensive snapshot of the workplace environment, we assessed the lived worked experiences, sentiments and perceptions through a combination of qualitative and quantitative data. The importance of this data is captured through a diagnostic tool developed by Kanarys that uses natural language process technology to isolate and extract themes, trends and sentiments. When asked what their organization is doing best regarding DEI, most Hispanic/Latinx employees felt positive about the efforts toward diversity. Overall, employees felt that companies were making strides with respect to diversity, but there was still work to do with respect to equity and inclusion (from Chart 11).

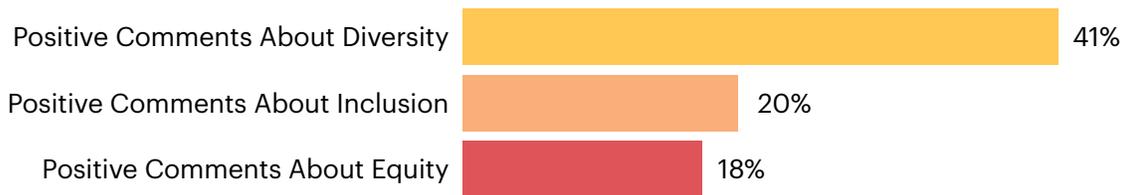


Chart 11

Even though many of the respondents stated they appreciated the efforts their organizations are making toward diversity, there was much still left to be desired in terms of implementing a comprehensive DEI strategy. This general sentiment is consistent with the need for companies and organizations to approach DEI with a data-based approach to create strategies that are precise, measurable and result in lasting transformation.

“My company recognizes they can do better in terms of diversity, equity and inclusion and has set up several employee business resource groups.”

– Prospanica Member



“We need to work on capturing the correct data to measure how we are doing in regard to D&I.”

– Prospanica Member

DEI Learning Journeys

DEI learning journeys are not linear nor a one size fits all training. Hence, DEI learning journeys play a role in data-driven comprehensive DEI strategy that focuses on transformational change, training, development, and education. Training and education can play a role in fostering belongingness in the workplace as it helps employees become more aware of unconscious bias. However, studies have consistently shown that DEI training alone can activate bias rather than decrease it when not included in a comprehensive DEI strategy.⁵ It is more effective to use DEI training while also engaging employees and leadership in promoting social accountability across the business through a long-term DEI strategy.⁵ Companies that are committed to attracting and retaining the talent of Hispanic/Latinx professionals should develop a strategy that takes a systemic approach, where providing high quality DEI educational training is just one part of the overall strategy.

“Staff members take it upon themselves to offer monthly ‘lunch and learn’ sessions to the rest of the team on topics of identity, women’s history, LGBTQ+ history and the Latinx experience.”

– Prospanica Member

We evaluated how respondents felt about their employers’ efforts to provide DEI training and found that 65% of Hispanic/Latinx employees agreed that their company did well while only 11% disagreed. Hispanic/Latinx professionals were overall positive about the training provided but felt that a lot of the planning for DEI training and other DEI programming was put on Hispanic/Latinx professionals themselves, regardless of the expertise or underlying role of the employee in the workplace. **In fact, 63% of Hispanic employees indicated that they felt the burden of teaching or explaining DEI issues to their colleagues.** The burden of arranging these training and implementing DEI programs is unfairly delegated to Hispanic employees. DEI work is complex, impactful and challenging, and employees asked to participate in DEI work should be compensated fairly.

63%

feel a burden to teach or explain DEI issues

A data-driven strategy an organization can deploy, while using DEI training itself as a tool to reduce biased behaviors, is to conduct diversity evaluations of the DEI training.⁵ Evaluating the DEI training organizations implement is one part of the puzzle. To achieve long-term systemic impact the focus should be on developing a data-driven, comprehensive DEI strategy that focuses on transformational change, training, development and education.

Anti-Discrimination

The data captured in this report shows a large number of Latinx employees are experiencing discrimination even while reporting appreciation for company DEI trainings. Hispanic/Latinx respondents were 50% more likely to witness or experience some form of discrimination at their workplace than Non-Hispanic/Latinx respondents. Coping with this discrimination, whether it is subtle or overt, can create the burden of an “emotional tax” in the workplace. This emotional tax is defined as “the heightened experience of being treated differently from peers due to race/ethnicity or gender, triggering adverse effects on health and feelings of isolation and making it difficult to thrive at work.”⁶



50% of Hispanic/Latinx employees have personally witnessed or experienced discrimination or bias at work.



66.3% of Hispanic/Latinx employees feel the burden of having to educate people on DEI.

“I want to work at an organization that protects its employees from discriminatory and racist environments.”

– Prospanica Member



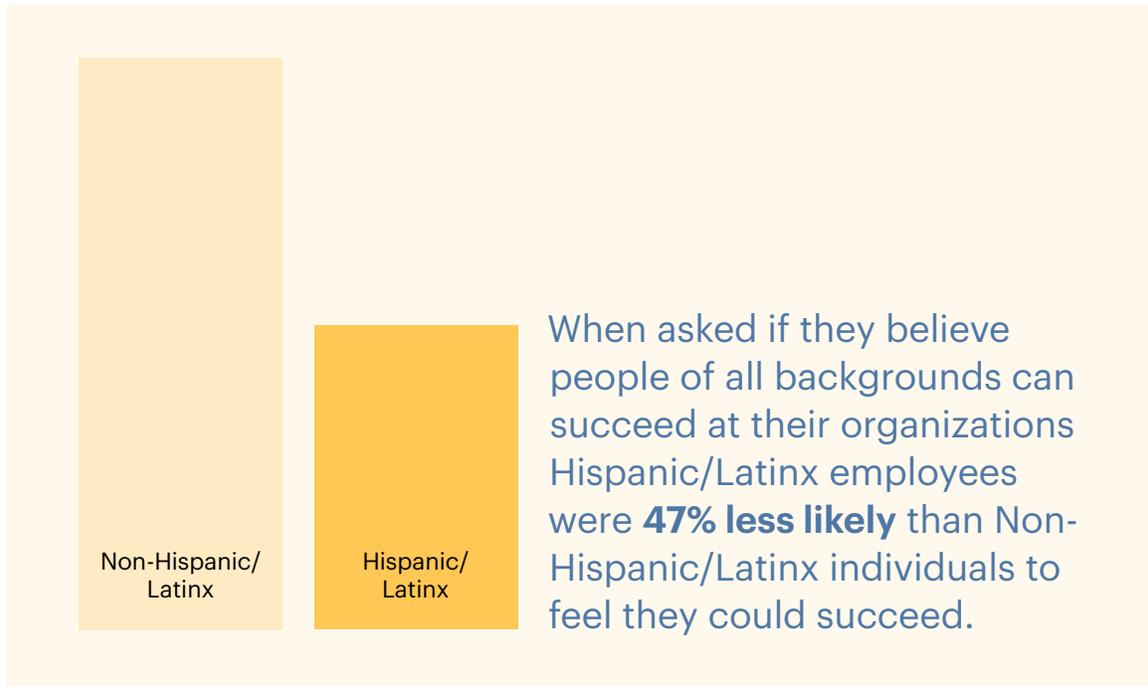
“Workplaces should have fairness and justice without discrimination.”

– Prospanica Member

For Hispanic/Latinx, Asian, Black, multiracial, LGBTQ+, disabled, and other employees from underrepresented groups, decades of research tell us that exclusion, discrimination and bias can be daily experiences.⁷ Furthermore, the emotional tax of experiencing this or even bracing for these experiences can lead to reduced productivity, costly health struggles and high turnover for these affected employees. Data also indicates that 72% of employees who are not carrying that emotional tax burden may also become disenchanted with their organization’s lack of inclusion for diverse POVs and will subsequently leave.⁷ These negative outcomes highlight why championing diversity must be in tandem with inclusion.

Inclusion

Inclusion has been difficult for companies to understand and track. Inclusion is the characteristic of a workplace climate that makes members of underrepresented groups feel welcome, respected and an integral part of the organization. We know that companies are seeking to understand and implement inclusive practices. This starts with having more feedback from those who are underrepresented.



Employers that strive to create a workplace where Hispanic/Latinx professionals feel included can implement the following approaches as one part of their overall data-driven DEI strategy:

- Listening and learning from the lived experiences of employees by creating safe ways for employees to share.
- Creating employee resource groups (ERGs) specifically for Hispanic/Latinx professionals to help them feel more comfortable to be themselves and supported.
- Ensure that Hispanic/Latinx professionals have a senior leader to mentor/sponsor them.⁸

“We need to work on including people who don’t yet believe in the benefits of DEI.”

– Prospanica Member

“We need to be more inclusive.”

– Prospanica Member

“I’d like my organization to focus more on the inclusion piece and encouraging employees outside of the characteristic group to join in DEI [training and programming].”

– Prospanica Member

Freedom of Expression

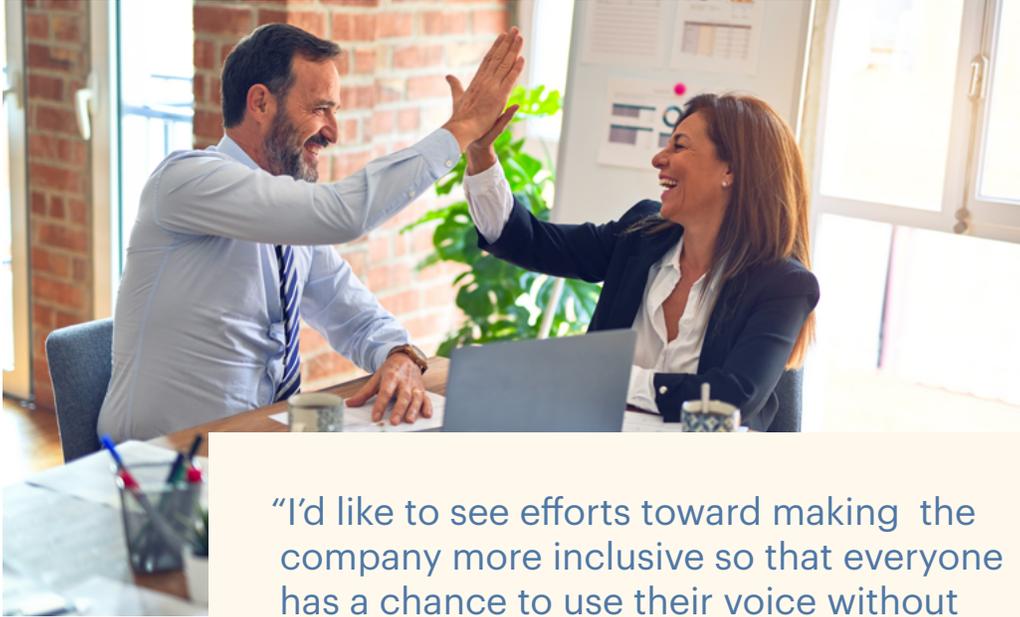
The level of inclusion perceived in the workplace along with the Hispanic/Latinx individuals' culture, country of origin and generation in the U.S. (first, second, third, etc.) contribute to the level of comfort they experience regarding freedom of expression. Many Hispanic/Latinx individuals are raised in a collectivist culture where the common goals of the larger group are prioritized over individual pursuits.⁹ This collectivist mentality can conflict with the corporate culture of individualism. In our findings, Hispanic/Latinx women that we assessed feel less empowered than their Non-Hispanic/Latinx counterparts to share their ideas, which translates negatively to their feelings of being welcomed and valued.

Assessment results showed that Hispanic/Latinx women have the worst experience regarding freedom of expression, as they were 53% less likely than Non-Hispanic/Latinx to feel comfortable expressing all aspects of their identities in the workplace.



“We should create spaces for people from different backgrounds and cultures that provide ample opportunity to express themselves honestly.”

– Prospanica Member



“I’d like to see efforts toward making the company more inclusive so that everyone has a chance to use their voice without feeling excluded and feels appreciated for the value they bring to the organization.”

– Prospanica Member

Fostering an inclusive environment where Hispanic/Latinx professionals feel freedom of expression requires an understanding of cultural differences and measures in place to examine your company’s corporate culture, policies and procedures for bias.

Pay Practices

Many studies indicate a massive pay gap for Hispanic/Latinx workers. Though this pay disparity is longstanding and well documented, nearly 1 in 3 Americans are not aware of it.¹⁰ Reflecting this lack of awareness, 66% of respondents indicated they believe they are compensated fairly. This highlights the lack of transparency in organizations sharing information about their compensation practices.



**1 out of 3 Americans
are not aware of the pay gap**

The ongoing pay disparity for Hispanic/Latinx professionals has barely improved over 30 years.¹¹ In 1989, Hispanic/Latinas were paid just \$0.52 for every dollar paid to White men. Hispanic/Latinas today earn, on average, just \$0.55 for every dollar earned by White men.¹¹ Many people incorrectly assume that Latinas face a pay gap because they're concentrated in lower paying roles, but even in the same job, Hispanic/Latinas are paid less than white men.¹²



In order to make progress in closing the pay gap and ensure fairness around pay practices, organizations need to implement a transparent compensation system with objective metrics for recruitment, advancement and compensation.

Conclusion

The business case for diversity in the workplace is well established, but when 50% of Hispanic/Latinx professionals have personally witnessed or experienced discrimination or bias in the workplace, it's clear that there is still much work to do. More than 63% of Hispanic/Latinx professionals report feeling the burden to educate people on DEI while simultaneously experiencing an additional 'emotional tax' from facing discrimination. Organizations must take on the responsibility of tackling these challenges and address these issues from an institutional standpoint. Recruiting diverse employees has been the starting point for many organizations on their DEI journey, but to retain a diverse employee base, organizations must foster an inclusive and equitable culture for all their employees.

Effectively championing diversity, equity and inclusion that specifically addresses an organization's challenges requires adopting a comprehensive data-driven DEI strategy. The more attuned a DEI strategy is to the challenges employees face within an organization the more impactful the outcomes will be. Corporations and affinity resource organizations such as Prospanica collaboratively working together in partnership with platforms like Kanarys to collect data are optimizing DEI efforts by providing a safe, anonymous way for employees to let their voices be heard. These data and insights can be utilized by organizations as a baseline for evaluating progress in supporting Hispanic/Latinx professionals and understanding how to improve approaching future initiatives.

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Definitions

Diversity refers to all the ways in which people and groups differ from each other including race, ethnicity, gender, age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, veteran status, physical appearance, ideas and perspectives, etc.

Equity is a concept that aims to level the playing field. An equity approach recognizes that employees with different circumstances can need different types of support to reach their full potential, and treating everyone the same may not result in fairness. Equity allocates resources according to need with the goal of giving everyone a genuinely equal chance to succeed.

Inclusion is the characteristic of a workplace climate that makes all employees feel welcome, respected and an integral part of the organization.

Hispanic/Latinx refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. This includes people who reported detailed Hispanic or Latino groups such as: Mexican, Puerto Rican, Cuban, Dominican Republic, Central American, Costa Rican, Guatemalan, Honduran, Nicaraguan, Panamanian, Salvadoran, South American, Argentinian, Bolivian, Chilean, Colombian, Ecuadorian, Paraguayan, Peruvian, Uruguayan, Venezuelan, other South American or Spaniard.

Non-Hispanic/Latinx refers to a person who does not identify as Hispanic/Latinx.