



GREATER HOUSTON PARTNERSHIP  
**ONE  
HOUSTON**  
together  
*Advancing Racial Equity & Inclusion*

## **Houston Strong** *Becoming a More Equitable and Inclusive City*

Greater Houston Industry Liaison Group  
Thursday, April 7, 2022

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[One Houston Together](#)

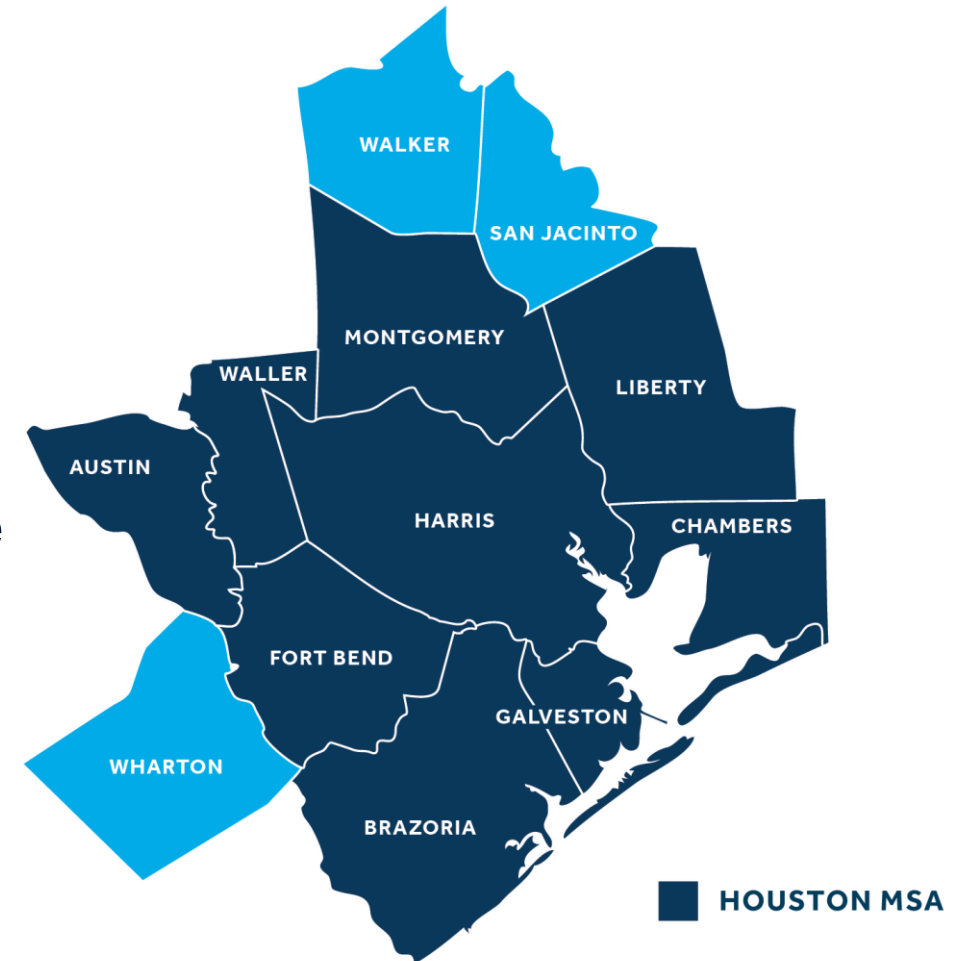
# Great Global City

The **Greater Houston Partnership** strives to advance Houston's position as a great global city.

Serves the **12-county** greater Houston region

Represents **900+** businesses and institutions

Members account for **one-fifth** of Houston's workforce



# Roles of the Partnership

**Promote** economic development and trade

**Advocate** for effective public policy

**Convene** regional stakeholders and members on key issues

**Engage** members on topics of interest

The Partnership's  
commitment to leverage the  
power of the business  
community to reduce  
inequities.



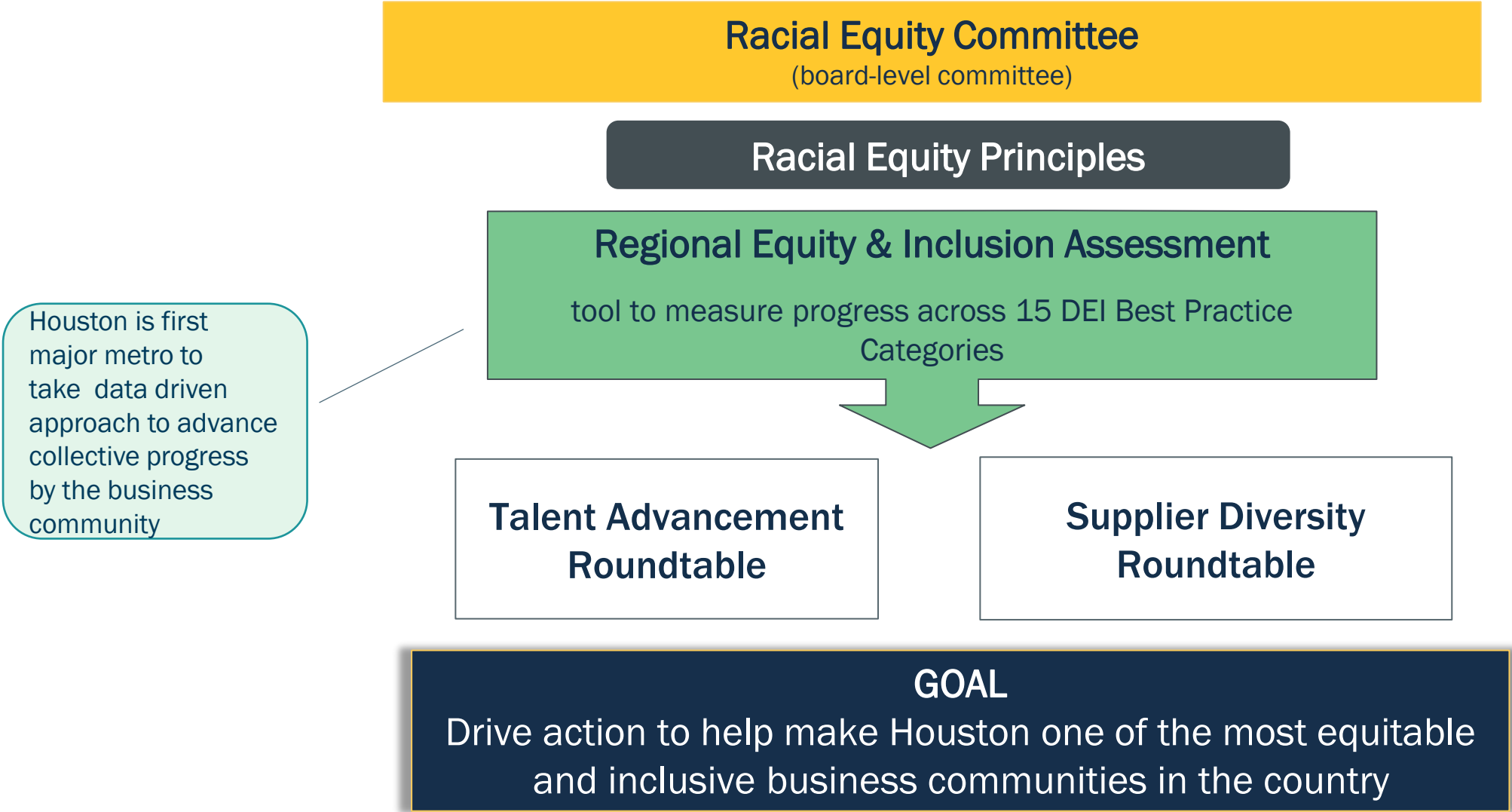
# One Houston Together

Data-driven effort of 100+ businesses, institutions, and nonprofit organizations

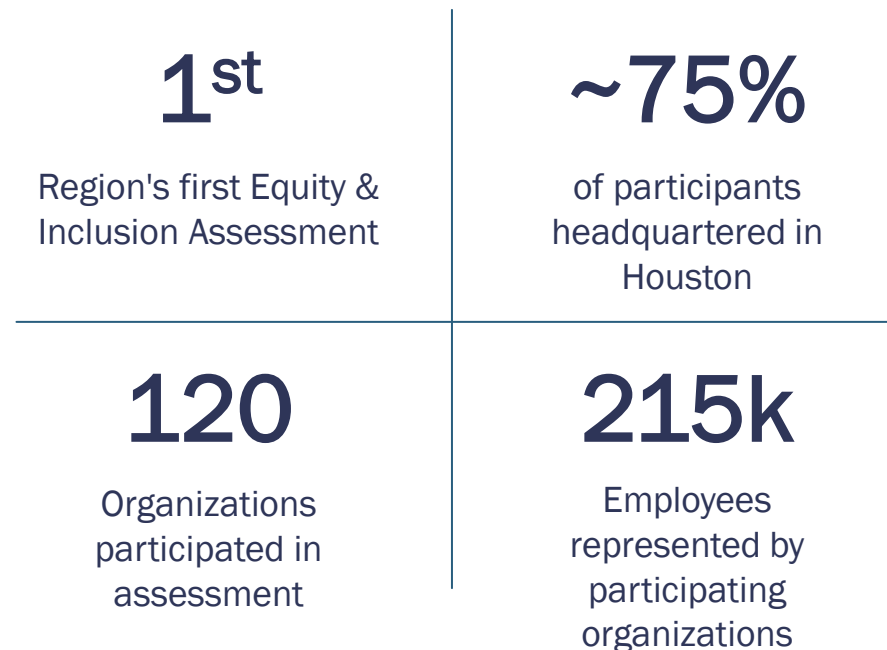
Progress depends on ***collective action*** by the business community to drive change in two priority areas:

- Improve racial equity in corporate talent pipeline by advancing people of color into senior management roles and by increasing racial diversity of board leadership
- accelerate the growth of underrepresented businesses/Minority Business Enterprises through responsible sourcing/supplier diversity

# Structure and Goal



# Regional Assessment



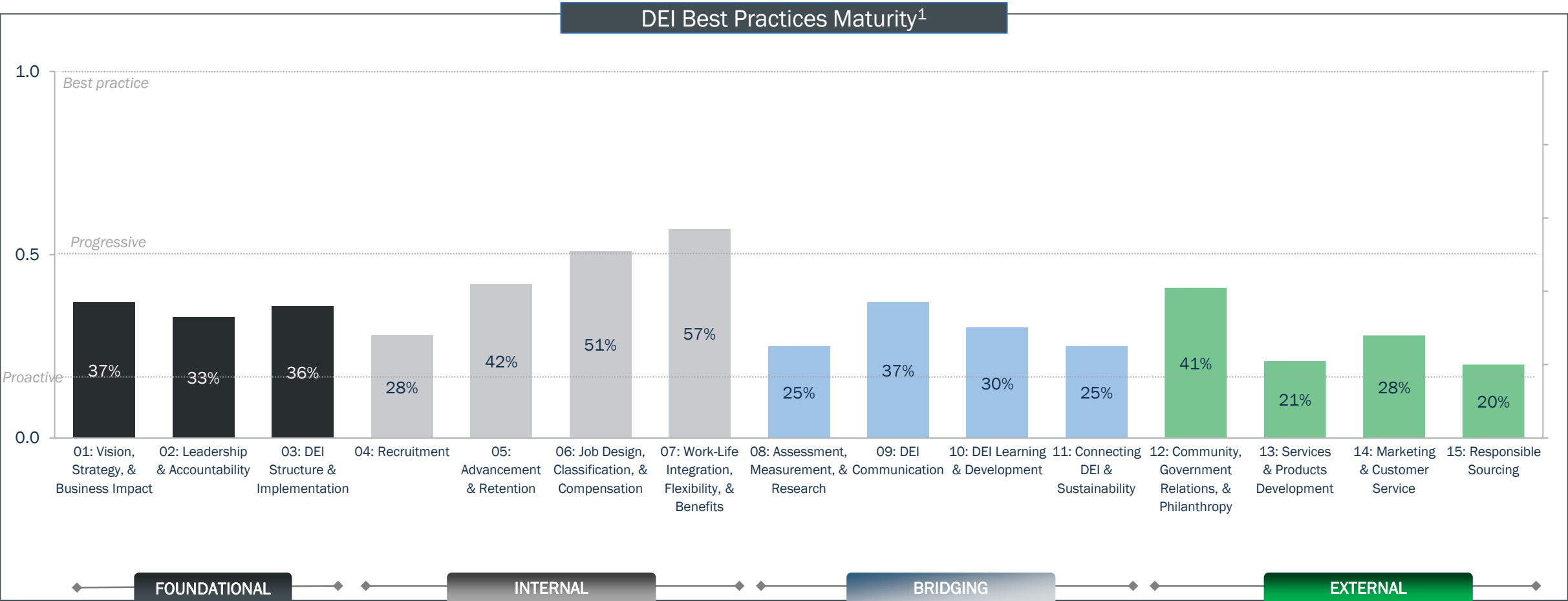
- ✓ All key industries operating in Houston region participated in the assessment
- ✓ Assessment DEI Best Practices based on [Global DEI Benchmarks](#), a series of 275 benchmarks in 15 categories
- ✓ Participants received a confidential individual scorecard to help [measure progress, establish internal metrics, and create roadmap for action](#)

## Maturity of DEI Best Practices and Correlation with Outcomes

- Houston averages at 'proactive' (35% maturity level compared to 100% for best practices)
- Technology, Financial Institutions, Energy, Healthcare/Lifesciences, and professional services are the most mature industries
- Mature DEI practices don't always translate to better diversity outcomes



# DEI Maturity | Higher maturity in foundational and internal DEI practices

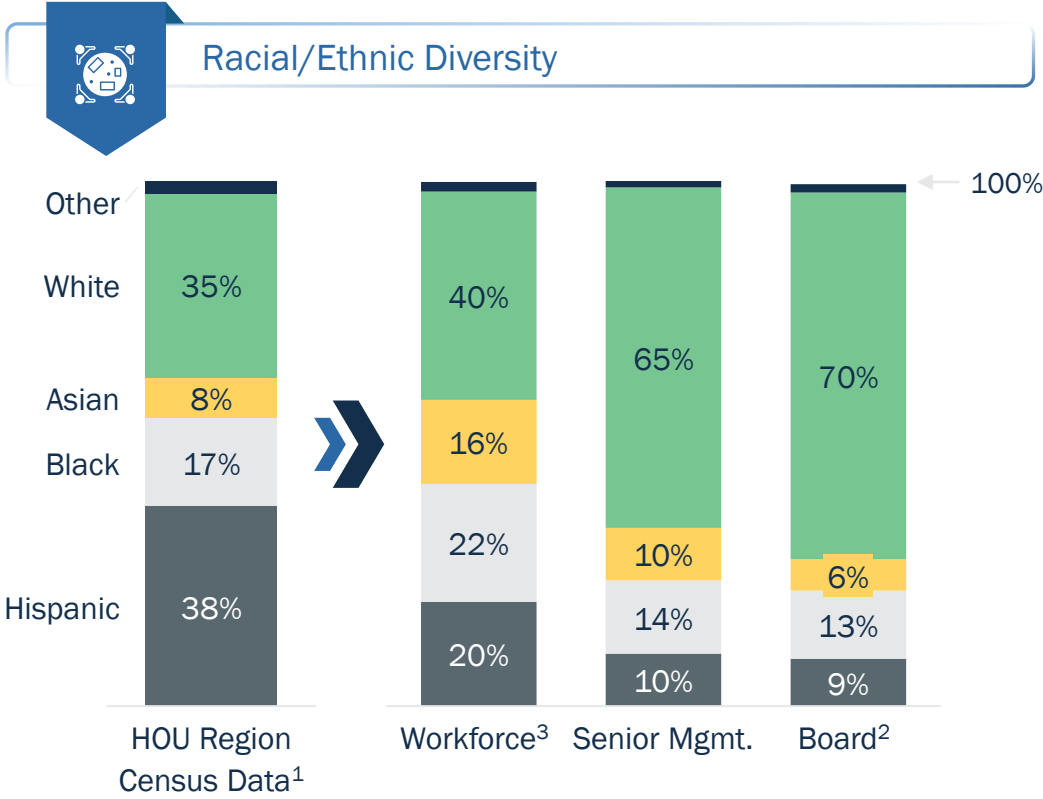


1: 15 DEI practice categories defined by Global Diversity, Equity & Inclusion Benchmarks  
Source: Greater Houston Partnership Equity & Inclusion Organization Assessment (June-August 2021, 120 organizations), BCG Analysis

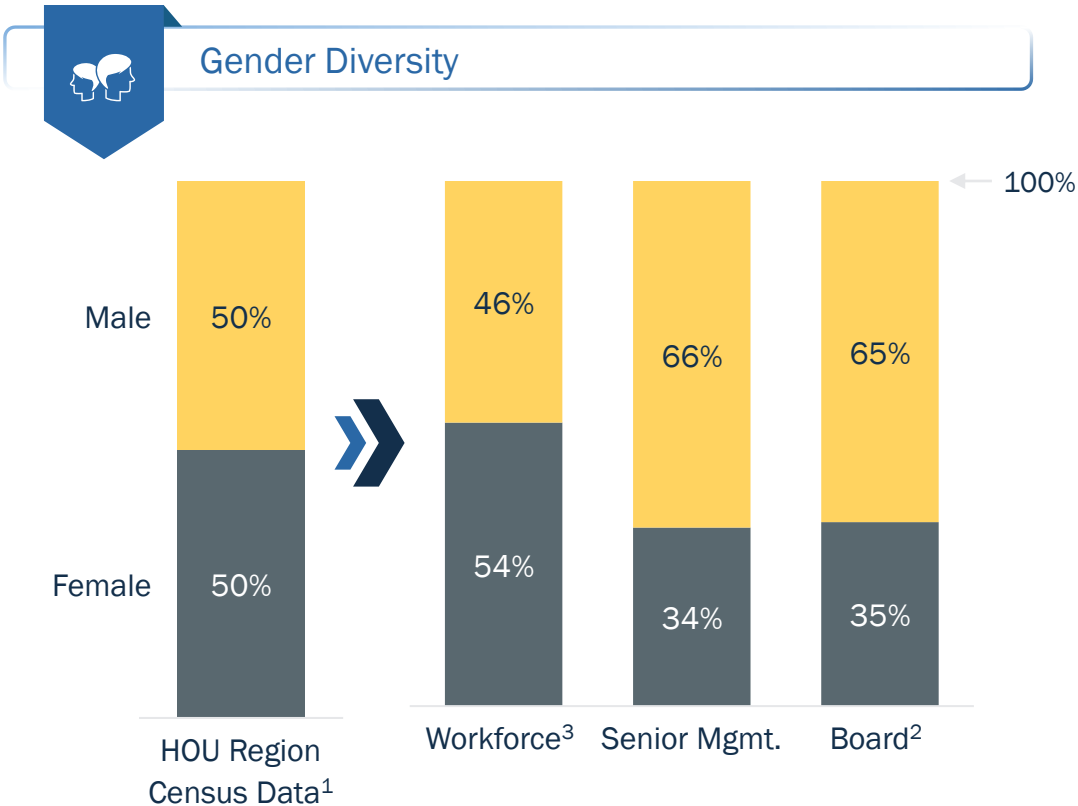
## Talent Representation and Advancement

- Black, Indigenous and People of Color (BIPOC) and women are underrepresented in senior leadership roles
  - Racial/ethnic diversity decreases by  $\sim 1/2$  whereas gender diversity decreases by  $\sim 1/3$  between workforce and leadership
  - Female representation declines at higher levels across all races
  - Hispanic talent is most affected
- Public/Non-profit organizations outperform private sector in addressing racial and gender gap in new hires and promotions

# Advancement & Representation | People of color and women underrepresented in senior management and board



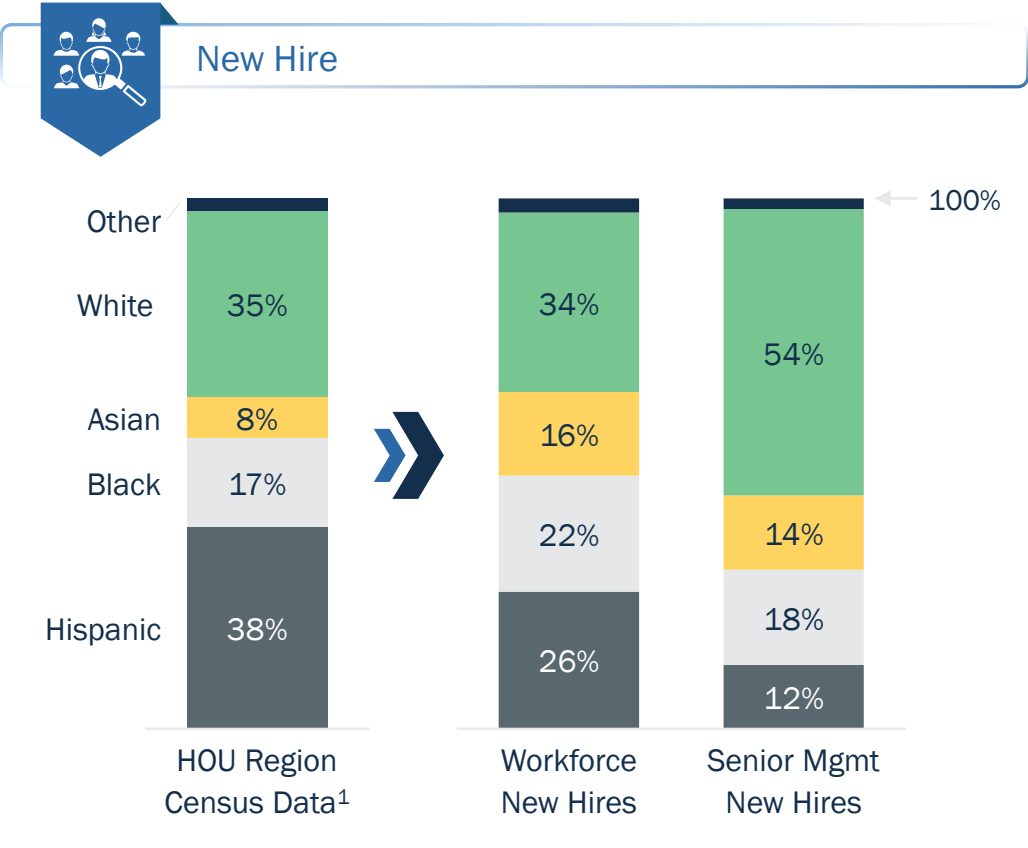
Representation of people of color declines by ~1/2 between workforce and senior management / board levels



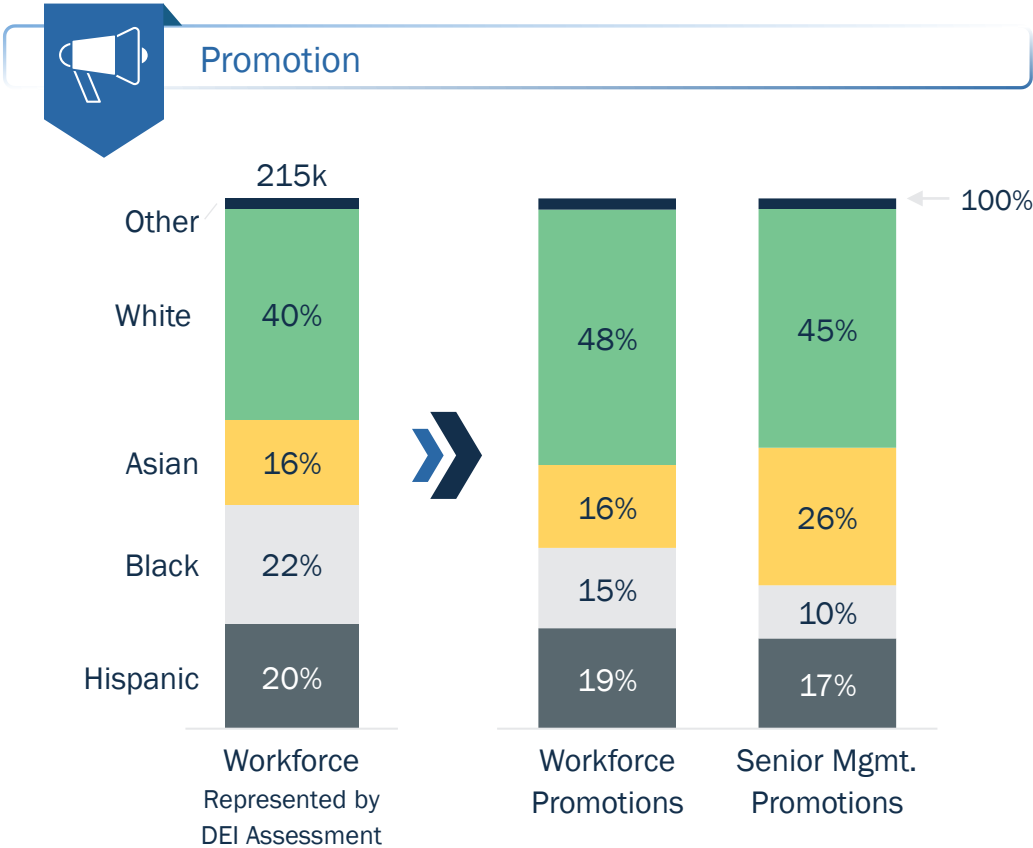
Representation of women falls by 1/3 between workforce and senior management / board levels

1. 2019 census data from Greater Houston Partnership Houston Economic Highlights report. 2. Board of directors (BoD) DEI results heavily impacted by non-profit boards, which tend to have better diversity outcomes (32% BIPOC, 39% women) than for-profits and represent 63% of BoD employees in assessment. 3. Workforce DEI results heavily impacted by weighting of healthcare companies, which tend to have better diversity outcomes and represent ~40% of workforce employees in assessment.  
Source: Greater Houston Partnership Equity & Inclusion Organization Assessment (June-August 2021, 120 organizations), BCG Analysis

# Advancement & Representation | Current hiring and promotion practices are not sufficient to address racial/ethnic gap in talent pipeline



Hispanic talent pool is **severely under-represented** in senior management roles



**Black** workforce is **not promoted** at representative proportions

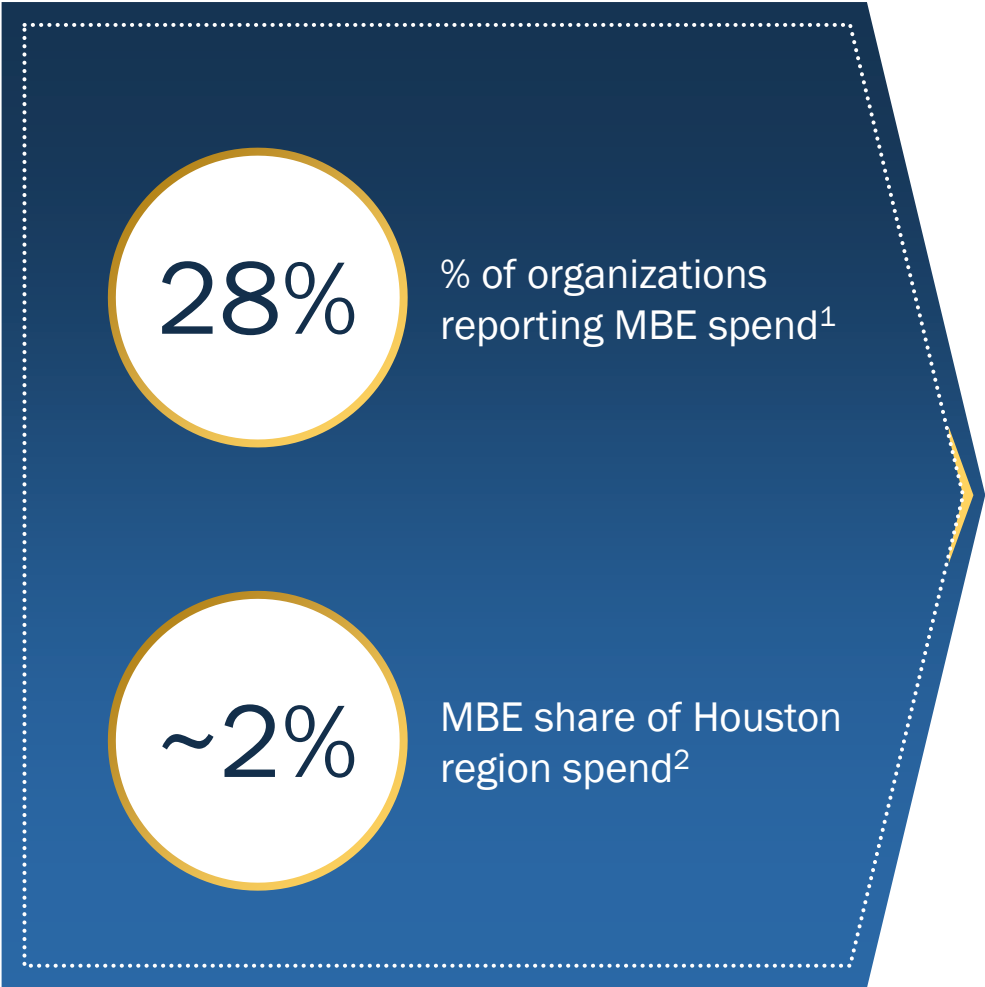
1. 2019 census data from Greater Houston Partnership Houston Economic Highlights report. Note: Data does not include law firms.  
Source: Greater Houston Partnership Equity & Inclusion Organization Assessment (June-August 2021, 120 organizations), BCG Analysis

## Responsible Sourcing / Supplier Diversity

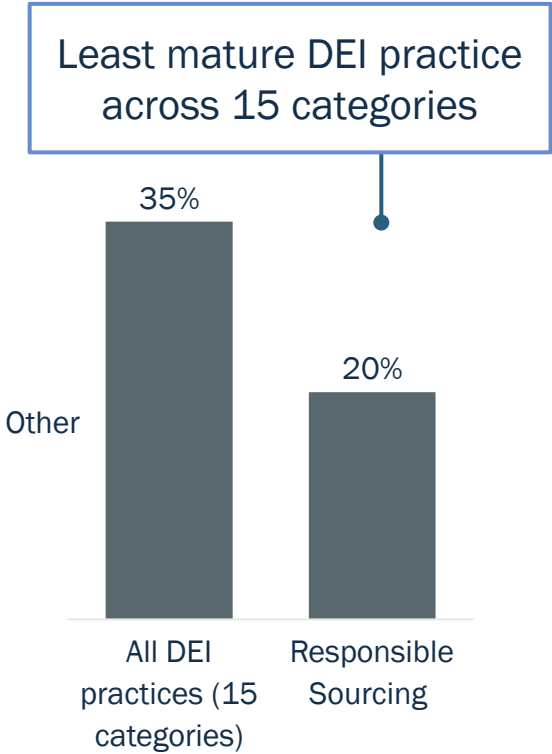
- Responsible sourcing/supplier diversity practices are least mature among 15 DEI Best Practices categories analyzed
- Less than 30% organizations reported Minority Business Enterprise (MBE) spending; average MBE spend amounts to only 2% of total procurement budget

Source: Greater Houston Partnership Equity & Inclusion Organization Assessment (June-August 2021, 120 organizations), BCG Analysis

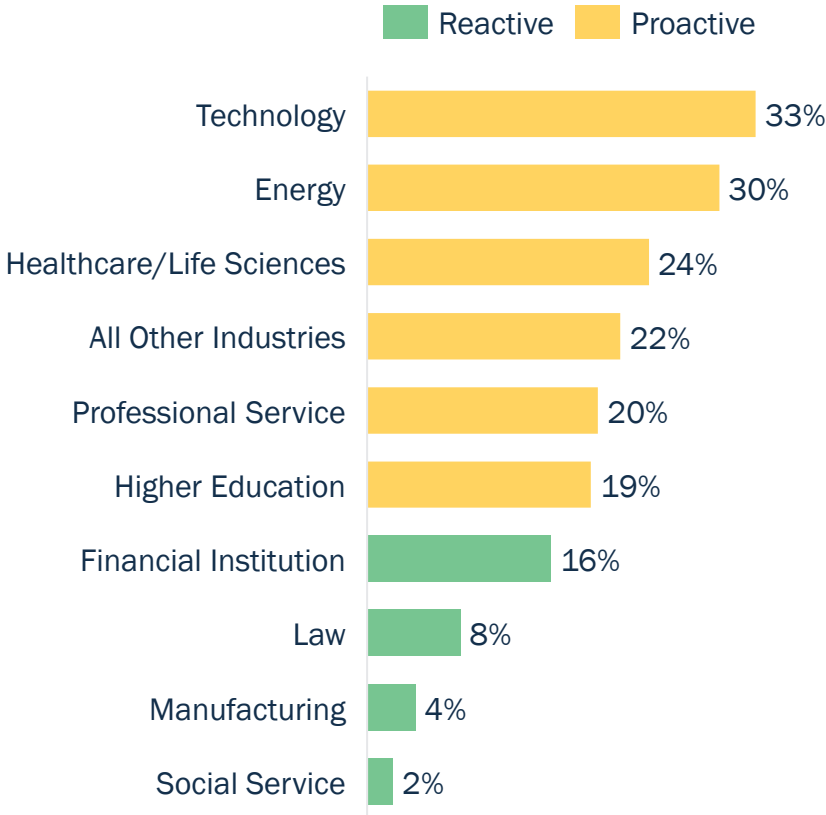
# Minority Business Enterprise (MBE) Spend | Lack of maturity in responsible sourcing likely contributes to inconsistent reporting and lower MBE spend



Maturity of DEI practices (% of best practice)



Maturity of DEI sourcing practice across industries (% of best practice)



1. Only ~34 organizations reported MBE spend in Equity & Inclusion Organizational Assessment 2021. 2. Represents spend at MBE(s) in the Houston region, MBE share of spend ~6% across US for Houston organizations.  
Source: Greater Houston Partnership Equity & Inclusion Organization Assessment (June-August 2021, 120 organizations), BCG Analysis

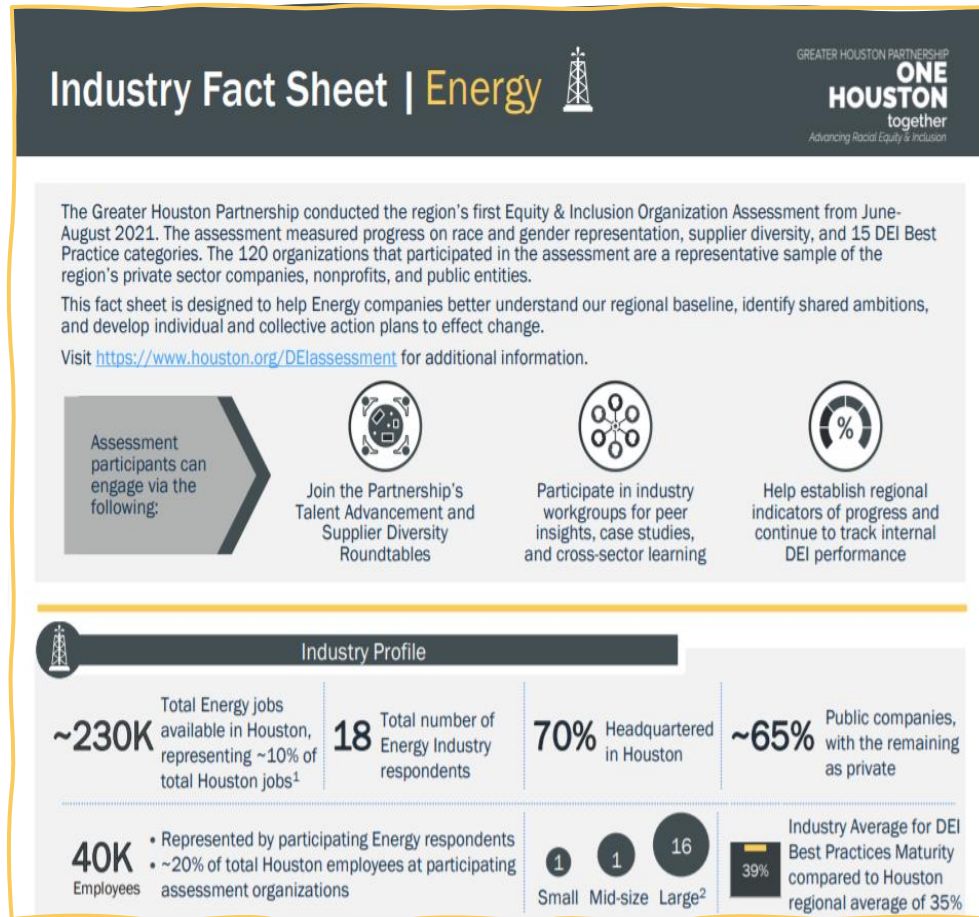
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# Interactive Regional Dashboard Video



View video here: <https://www.youtube.com/watch?v=vYz36GNhvMM>

# Regional Assessment Industry Fact Sheets



9 Industry Fact sheets benchmark progress and catalyst for action

- Energy
- Technology
- Healthcare
- Financial Institutions
- Professional Srvcs
- Manufacturing
- Social Service
- Law
- Higher Education
- Other

Interactive dashboard for data comparison and deeper learning



# Barriers and Opportunities

- **Training and compliance insufficient to create improved outcomes**
  - Sustained CEO commitment with formalized accountability and adequate resources
  - Enterprise-wide commitment
  - Learning and development
- **Growing Pressure and Expanded Expectations**
  - ESG
- **Bias**
  - Bias disruptors
  - Action learning
- **Risk**
  - Operational
  - Reputational
- **Cost Containment**

## *How can you engage?*

- **Commit to Partnership's Racial Equity Principles**
- **Complete regional Equity & Inclusion Assessment by May 1, 2022**
  - Robust tool to help organizations enhance their equity and inclusion strategy, increase community impact, and measure progress
- **Participate Supplier Diversity and Talent Roundtables**
  - Peer learning, share best practices, and align on regional indicators of progress
  - Exclusive convening for Partnership members and assessment participants; C-suite, Director or Senior Manager level, limited to two reps/company
- **Benchmark your company's progress**
- **Complete Best Place® for Working Parents Assessment**
  - 3-minute self assessment tool of top 10 evidenced-based policies that benefit families and have positive impact on business' profitability

# Resources

[One Houston Together](#) web page

[Racial Equity Principles](#)

<https://www.houston.org/DElassessment>

- 9 industry fact sheets
- Dashboard user video
- Link to [interactive assessment dashboard](#)

[Press Release for Regional Assessment Results](#)

[PayPal CEO Talks Values-Based Leadership](#)

[Best Place® for Working Parents](#) Assessment

