

# Managing DEI in SCM

Terry L. Esper, Ph.D.  
Professor of Logistics  
Fisher College of Business  
[esper.9@osu.edu](mailto:esper.9@osu.edu)



# #5

IN THE NATION  
*SUPPLY CHAIN  
AND LOGISTICS*



FISHER.OSU.EDU/MSCM

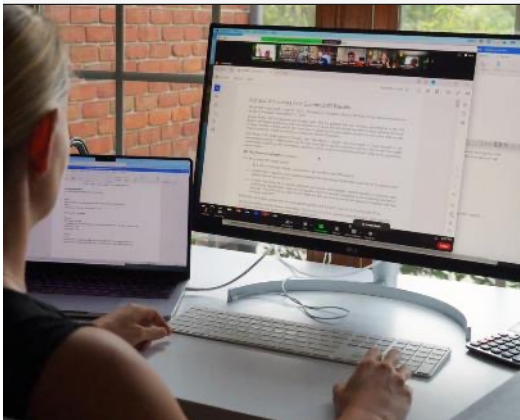
MSCM  
@  
OSU



THE OHIO STATE  
UNIVERSITY

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FISHER COLLEGE  
OF BUSINESS



**DIVERSITY...EQUITY...INCLUSION**



# Similar to SCM...Measuring Corporate D&I has evolved...

It's no longer just about "butts in  
seats"....it's now about "business  
financial performance"



# 10 Benefits of Workplace Diversity!



# Maximizing the Benefits of Workplace Diversity... **HARD WORK**

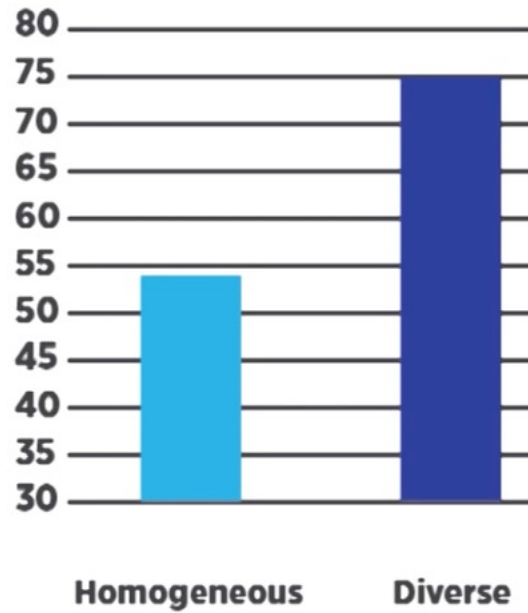




**Dr. Katherine Phillips,  
Columbia University**

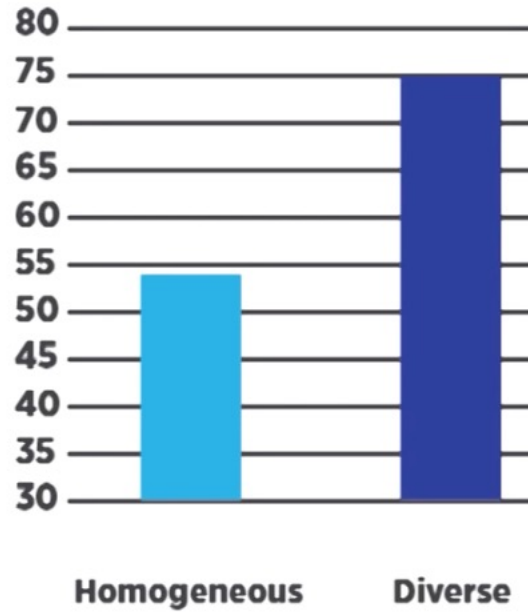
***“The presence of social category differences triggers expectations that there will be different ideas and perspectives to be pursued...basically diversity triggers everyone to work harder and question themselves...leading to better outcomes”***

## **% Groups Accurate**

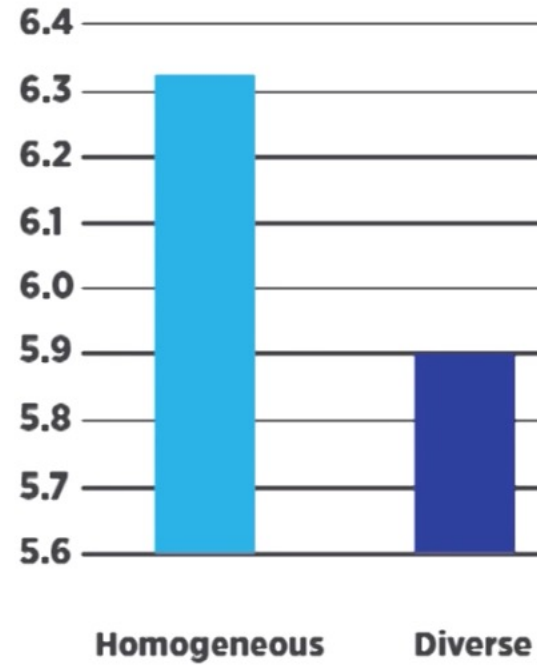




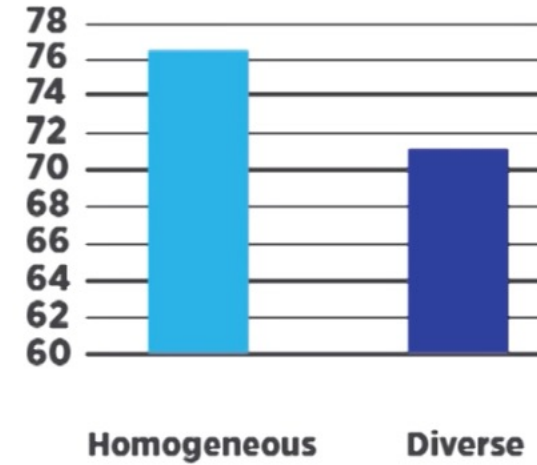
### % Groups Accurate



### Perceived Effectiveness



### Confidence in Decision



# **DIVERSITY...EQUITY...INCLUSION IN SCM**

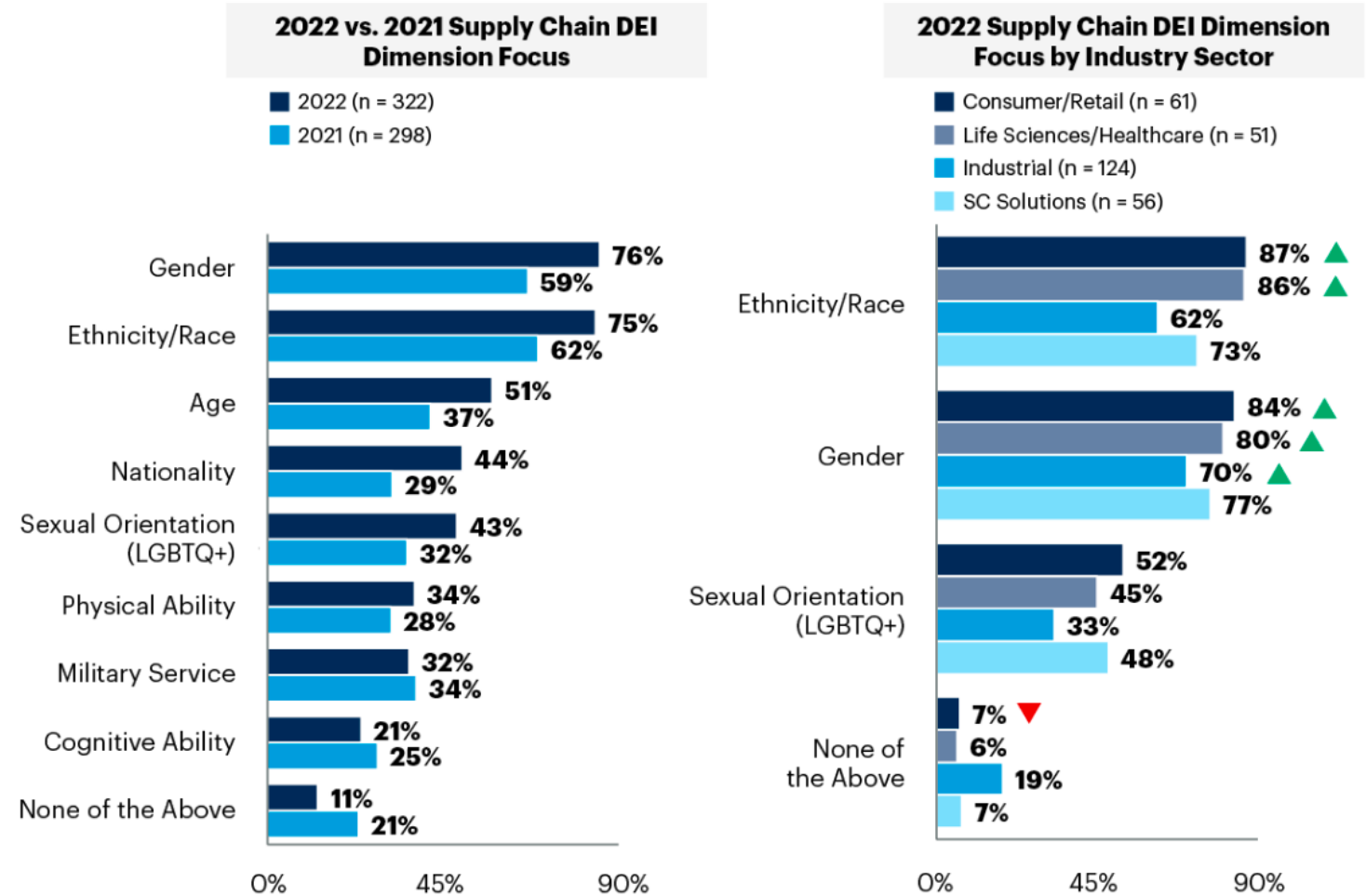


# So where are we in SCM on DEI?...

## Supply Chain Focus on DEI Increases in 2022

Percentage of Responding Supply Chain Organization

▲ Significantly higher than 2021 ▼ Significantly lower than 2021



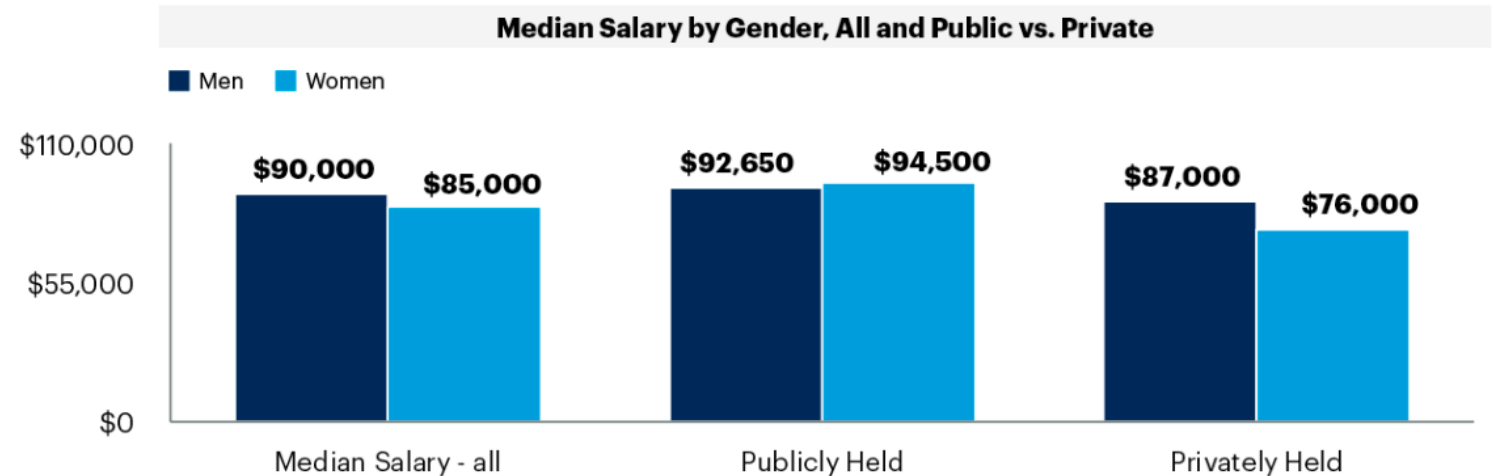
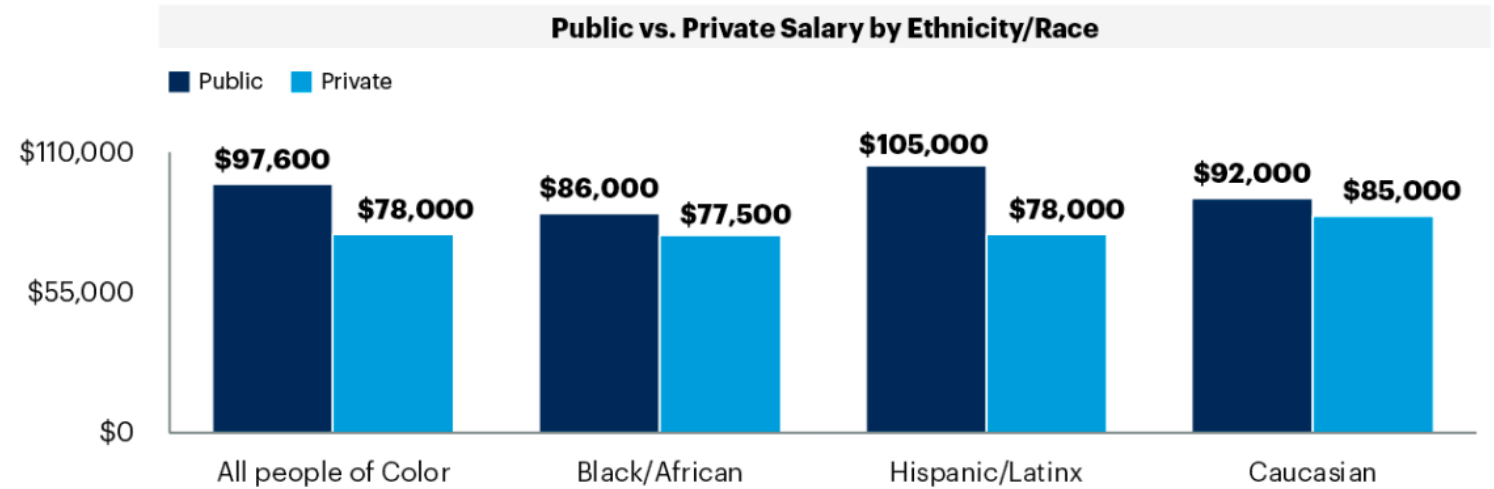
Q. When you consider your supply chain organization/business unit's efforts to improve diversity, equity and inclusion, which of the following dimensions are formally considered?

Source: 2022 Gartner/ASCM Supply Chain Diversity, Equity & Inclusion Survey

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So where  
are we in  
SCM on  
DEI?...

## Supply Chain Organizations at Public Companies Pay Better, Have Smaller Pay Equity Gaps



n = 2,379 supply chain professionals

Source: Association for Supply Chain Management Salary Survey

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# So where are we in SCM on DEI?...

## Global, Public Supply Chain Organizations More Likely to Have Their Own DEI Goals, Actions, Accountability



**93%** of Large, Global Supply Chain Organizations Have **DEI Goals**

(vs. 37% of Small Organizations)



Large, Global Supply Chain Organizations are **2.5X+** More Likely to Have **Targeted DEI Initiatives**

(Only 3% Have No DEI Initiatives)



**30%** of Large, Public Enterprises Have DEI Metrics on **CSCO Scorecards**

(vs. 7% of Privately Held Companies)

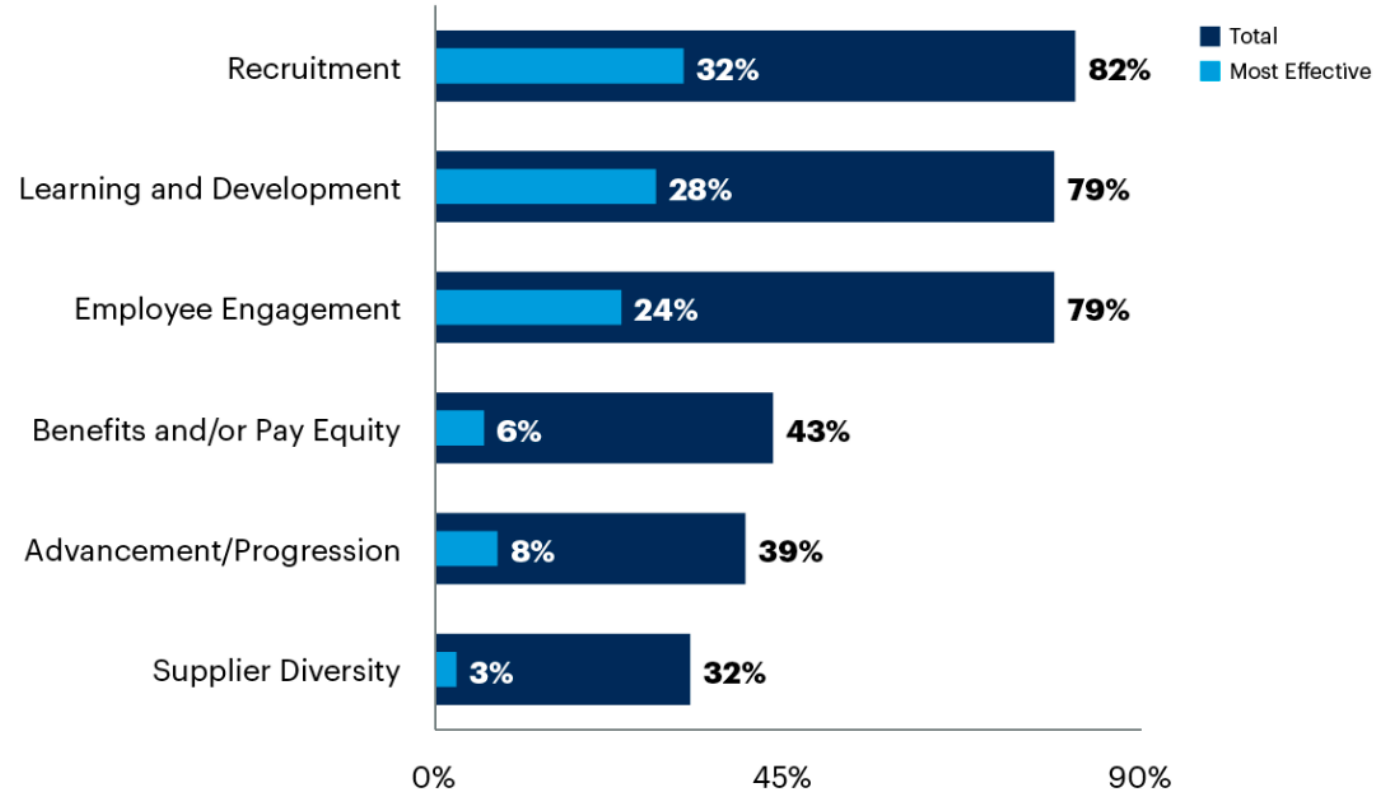
- + When supply chain leads DEI initiatives, roughly three out of four respondents report improvement.
- With enterprise-led DEI initiatives, only half of respondents report improvement.

Source: 2022 Gartner/ASCM Supply Chain Diversity, Equity & Inclusion Survey  
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# So where are we in SCM on DEI?...

## Recruitment, Learning & Development and Employee Engagement Are Top DEI Investment Priorities

Percentage of Respondents; Multiple Responses Allowed



n = 114, have targeted initiative and/or project for minority groups

Q. What kind of targeted initiatives or projects?

Q. Which initiative or project was most effective (in terms of benefits and outcome) for recruiting, developing, retaining and/or advancing diverse supply chain professionals?

Source: 2022 Gartner/ASCM Supply Chain Diversity, Equity & Inclusion Survey

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**74%**

**Of procurement organizations surveyed in 2020 planned to increase supplier diversity initiatives over the next 12 to 18 months.**

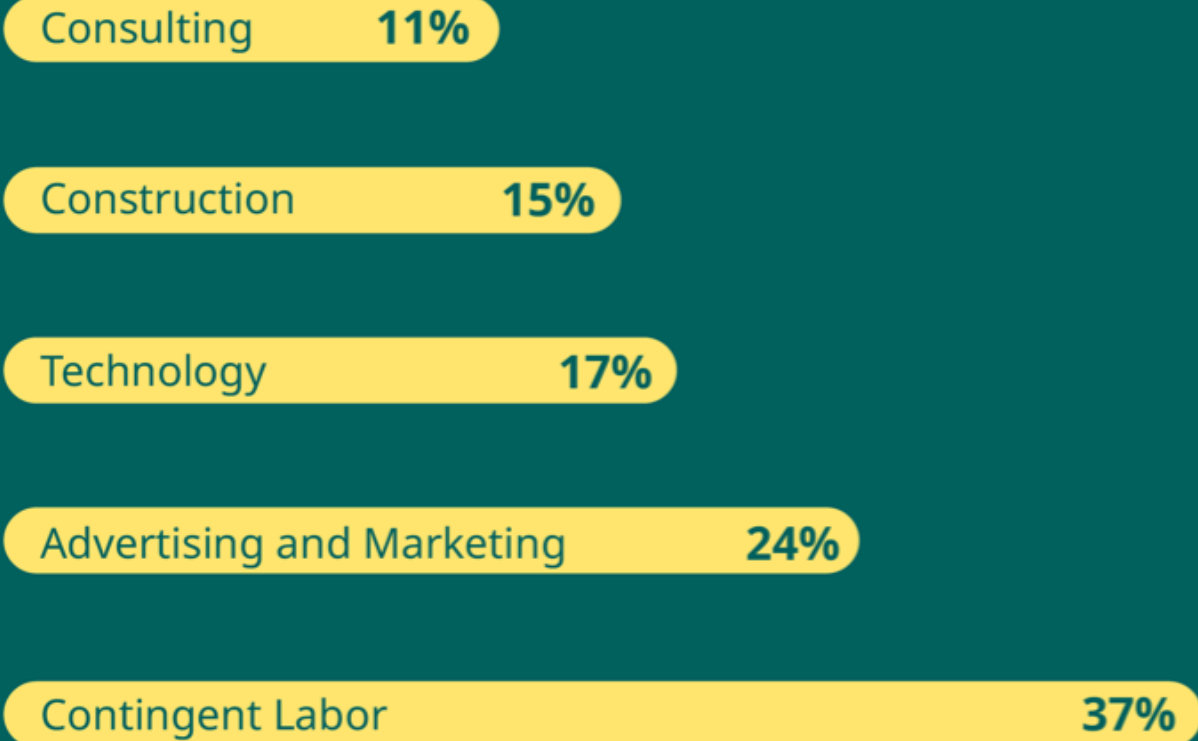
**51%**

**Expected increase  
in diversity spend  
goals by 2025.**

**Specific emphasis  
placed on Black-  
owned and LGBTQ-  
owned suppliers**



## Where is diversity spend focused?



**80%**

**Of organizations  
track diverse  
supplier spend.**

**On average...spend  
is at about**

**10%**



## Research by Dr. Ian Blount

***“Buyers’ attitude toward supplier diversity\* is a key underlying variable to understanding their buying decisions and their willingness to align”***

***\*Survey Items:***

- I believe in the concept and tenets of supplier diversity*
- I see the value supplier diversity brings to my procurement responsibilities*
- I am committed to the practice of supplier diversity*

**14%**

**Procurement leaders surveyed in 2020 who feel their supplier diversity program is sufficiently resourced for long-term success**

**Almost half (45%) don't have a dedicated supplier diversity manager**



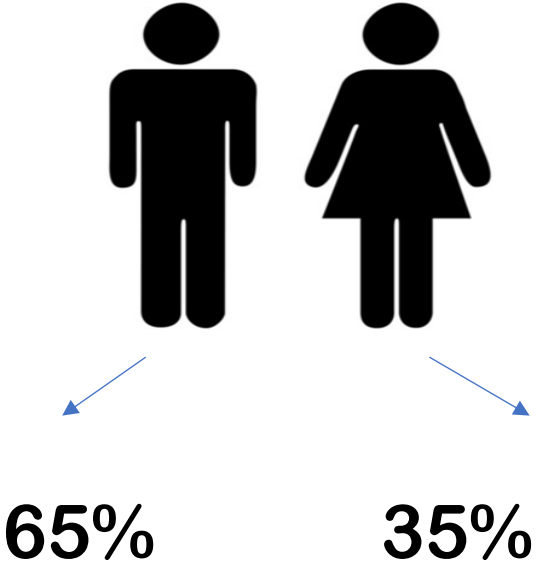
**Research by Dr. Ian Blount**

***In general, CEOs from MBEs don't feel that purchasing organizations are committed to relationships with diverse suppliers***

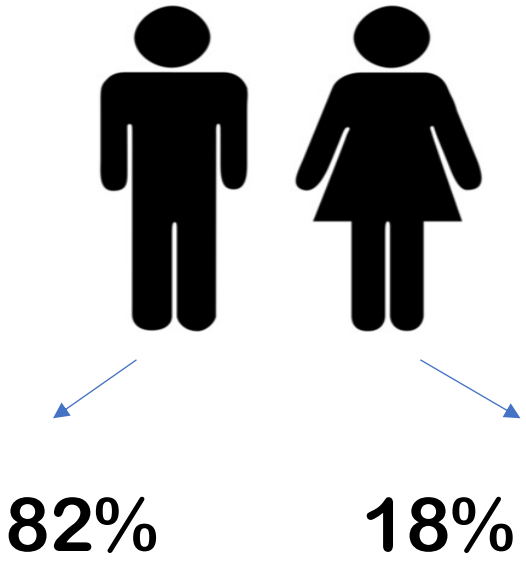
***This feeling persists even as relationship length increases***

# Gender Demographics

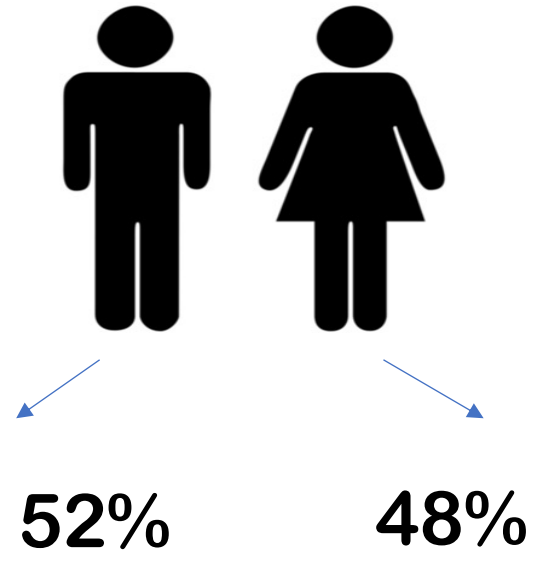
The Field\*



Recent CSCMP Data



Recent Student Data



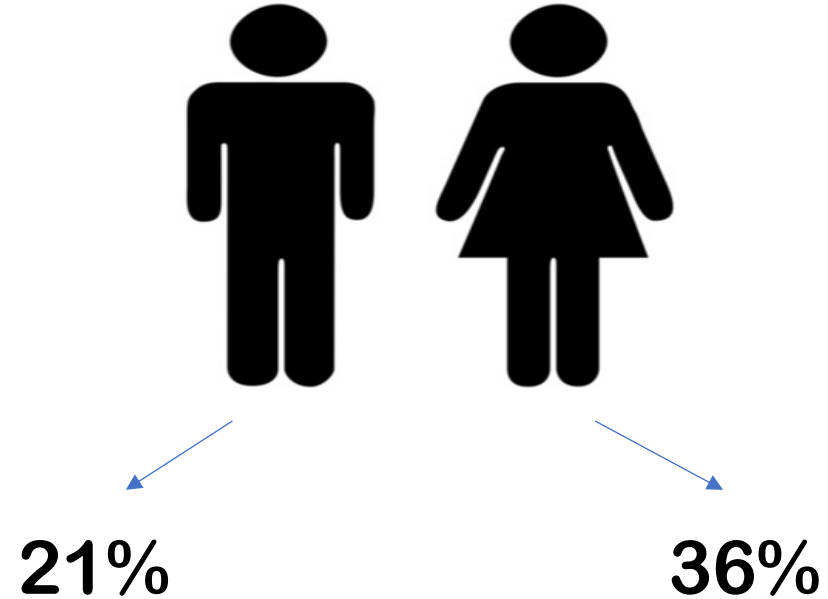
\* Source: Gartner

# Interesting career choice perspectives...

# 23%

Of the entire student sample were “less than satisfied” with their choice of major

Amongst the Seniors with Internship Experience



Seniors with Internship Experience



59%  
Strongly  
Agreed

4%  
"Neutral"

44%  
Strongly  
Agreed

10%  
"Neutral"

When asked  
whether they view  
SCM as providing  
opportunities for  
building a sound  
career



Seniors with Internship Experience



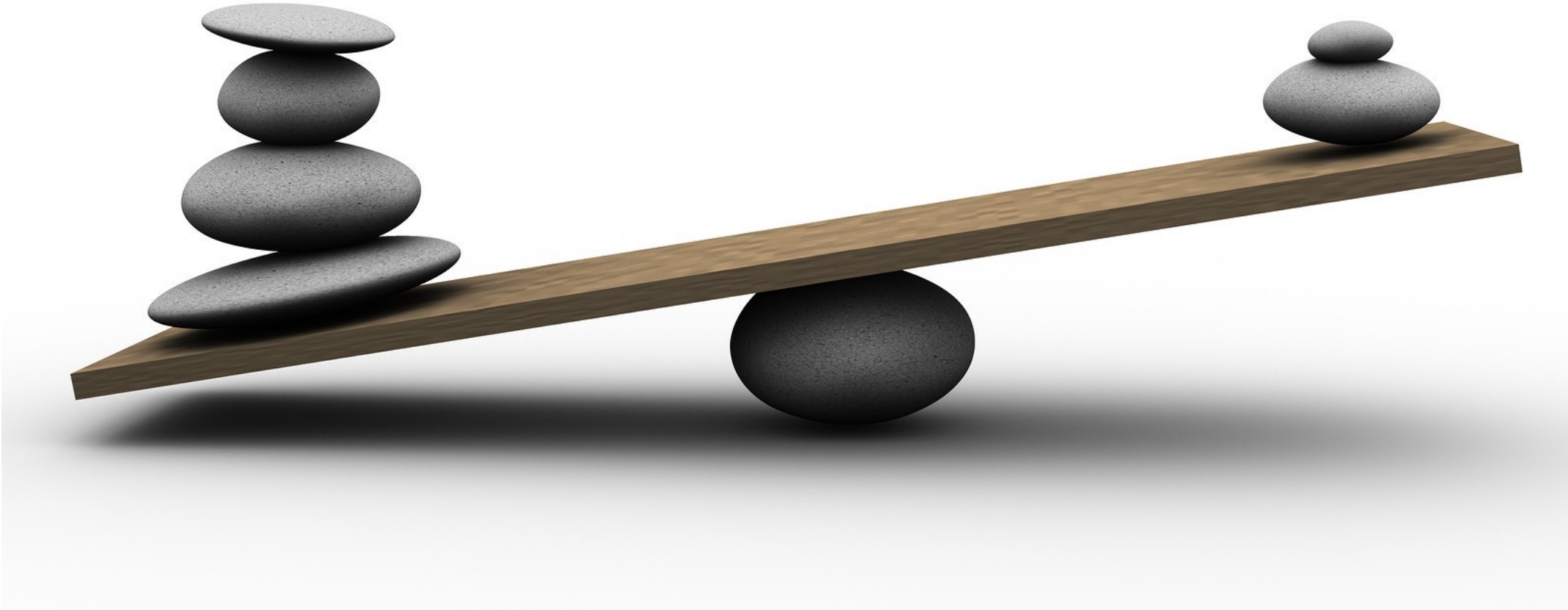
88%



77%

“I am confident  
in my future  
success in SCM’

# The DEI Imbalance Issue





## **A CDO's Realization...**

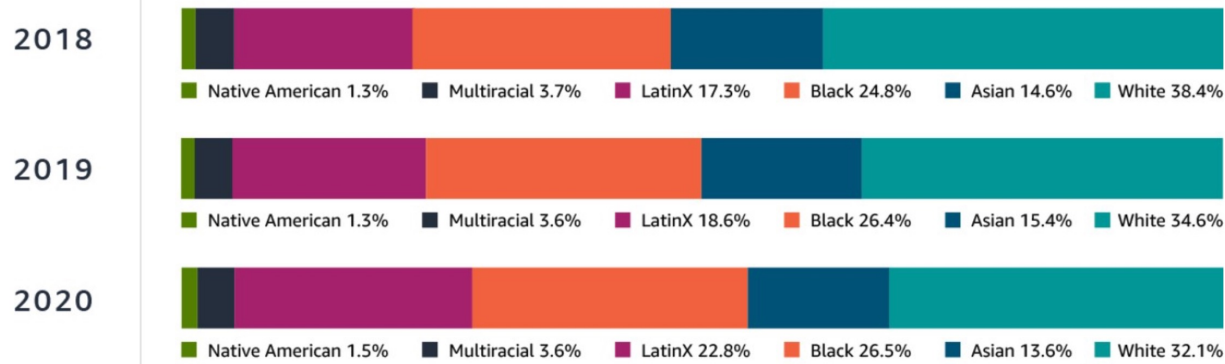
***“If I’m truthful, most of the  
Racial Diversity within  
\_\_\_\_\_ is in our Supply  
Chain and Logistics  
Organizations...and I need to  
start thinking about how to  
leverage that more”***

***“Companies often overlook frontline leaders in their planning for leadership training and development, such as D&I efforts”***

***“Employees whose direct managers are not committed to D&I are twice as likely to feel excluded, and three times more likely to seek employment elsewhere”***

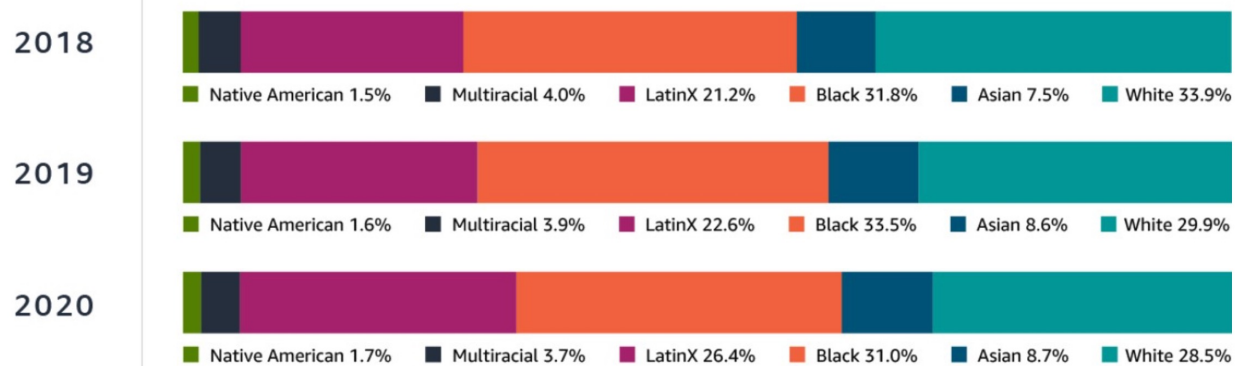
# All Employees...

## US RACE / ETHNICITY



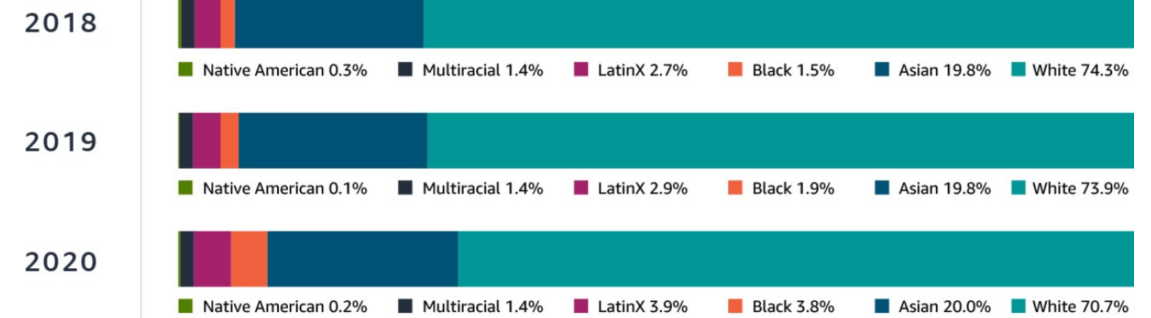
# Field Employees...

## US RACE / ETHNICITY



# Senior Leaders...

## US RACE / ETHNICITY



# Diversity and Bias Issues on the Frontline ...



# More pronounced on the Frontline...

Judgements or characteristics attributed to specific groups of people – races, genders, age groups, etc. – that may or may not be true for any one specific individual within that group.

**STEREOTYPES**

**MICROAGGRESSIONS**

Subtle verbal or nonverbal insults, indignities, or denigrating messages directed toward an individual due to their marginalized identity. Often committed by well-intentioned people who are unaware of the hidden messages conveyed or the impact of their statements.

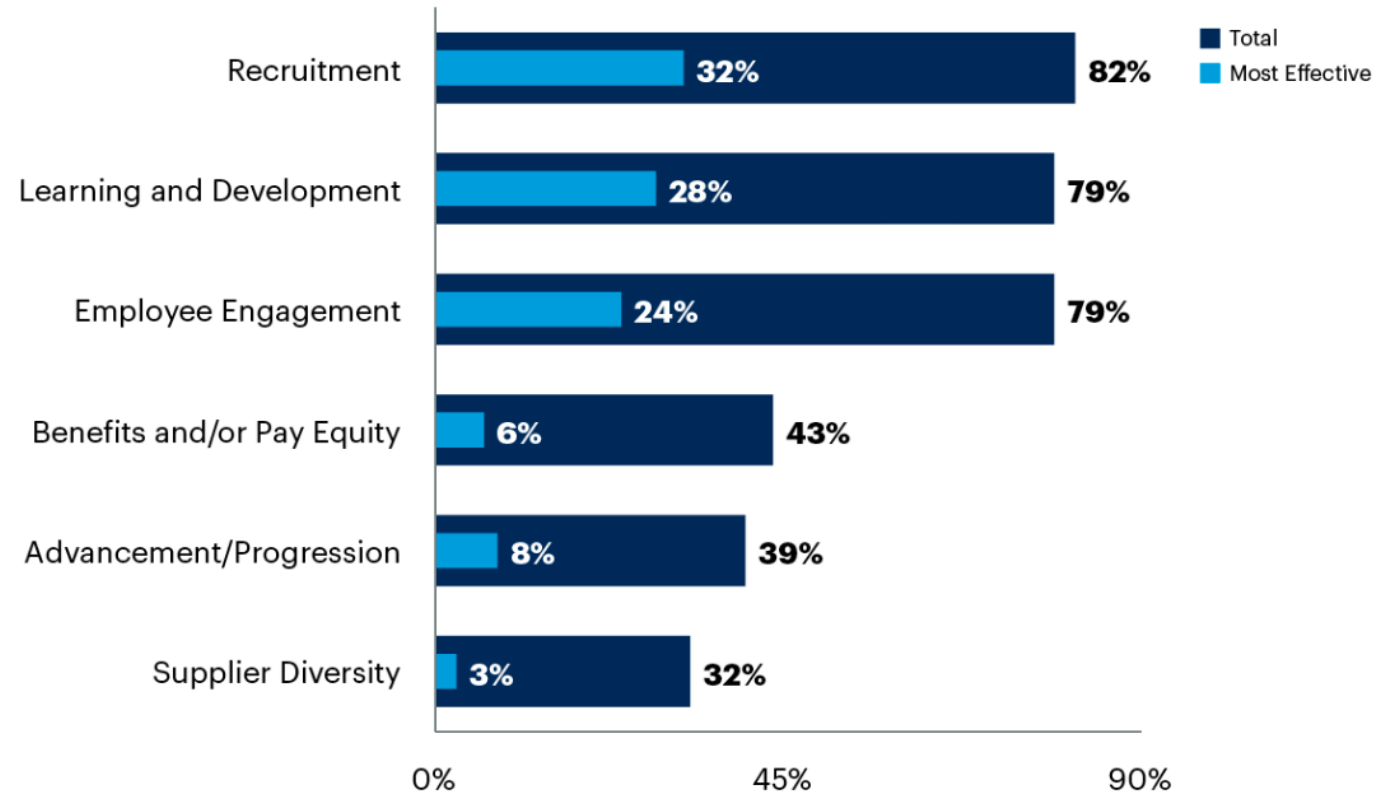
**IMPLICIT BIAS**

Subconscious attitudes, perceptions and stereotypes that influence our understanding, actions, and behavior when interacting with various identities.

# Let's Revisit This...How Might This Change if the DEI Investments were on the Frontline?

## Recruitment, Learning & Development and Employee Engagement Are Top DEI Investment Priorities

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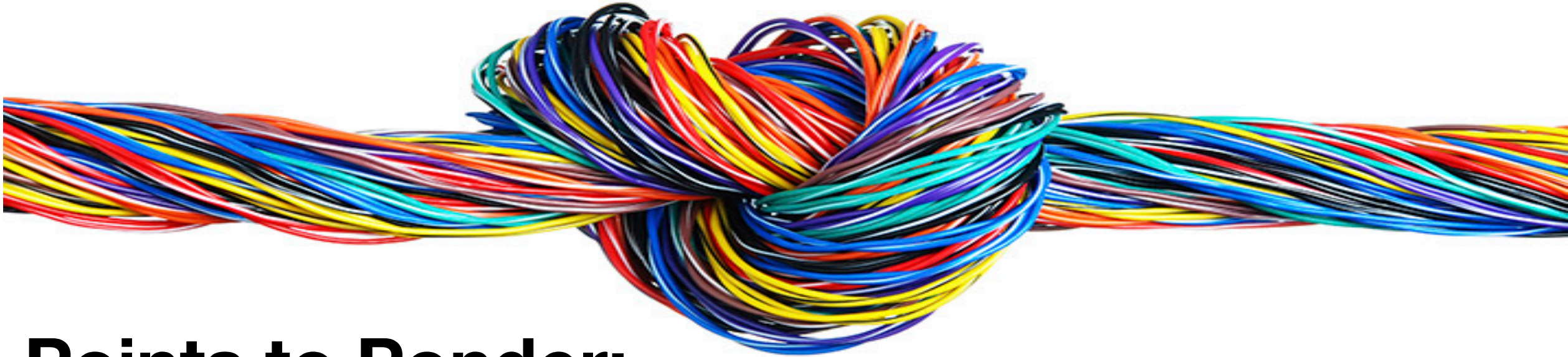
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Source: 2022 Gartner/ASCM Supply Chain Diversity, Equity & Inclusion Survey

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# **DIVERSITY...EQUITY...INCLUSION IN SCM**



## **Points to Ponder:**

**It won't "feel" easy...  
Go Beyond Diversity...  
Go Beyond Supplier Diversity...  
Build the talent pipeline UP...  
We need to take OUR rightful place...**

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