Gartner Survey Finds Over Half of Supply Chain Organizations Have DEI Initiatives, But Only 23% Commit to Formal Targets

Joint Survey with Association for Supply Chain Management Shows Diversity Efforts and POC Representation in Management Roles Depend Heavily on Company Size

STAMFORD, Conn., March 30, 2021 — Over half of supply chain organizations have improving diversity, equity and inclusion (DEI) as an objective or goal, but only a quarter have formal targets according to the [Supply Chain Diversity, Equity and Inclusion Survey](#)* by [Gartner, Inc](#). and the [Association for Supply Chain Management](#) (ASCM).

In a survey of 298 supply chain professionals from November through December 2020, 59% of surveyed supply chain organizations reported having some form of objective to improve any dimension of DEI - race/ethnicity, [gender](#), LGBTQ+, physical and cognitive ability, veteran status or age - and 23% of those organizations have formal target or goals included in management scorecards.

Consumer and retail organizations are more likely than other industry sectors to either have a general objective for DEI or formal targets or goals. Company size plays a role when it comes to the dedication of senior leadership to improve DEI. The largest supply chain organizations are far more likely to have DEI objectives - particularly formal targets or goals - than their smaller peers. Only 24% of small business supply chains have improved DEI as an objective.

"This makes sense when you look at the social justice movements of 2020. The largest global companies have globally recognizable brands, so they were under a lot of pressure to take action," said [Dana Stiffler](#), vice president analyst with the Gartner Supply Chain Practice. "In a global organization, it's more likely they'll have a DEI officer or an HR leader that owns and cascades the DEI strategy. Where this not happening fast enough, some chief supply chain officers (CSCOs) have designed and launched their own initiatives."

"Building a diverse workforce is essential, not aspirational," said ASCM CEO Abe Eshkenazi, CSCP, CPA, CAE. "Diversity of thought, influence and input — particularly from women and people of color — is crucial to today's global supply chains."

Representation of People of Color Declines with Each Step Up the Corporate Ladder
While people of color (POCs) make up 30% of the overall supply chain workforce, their representation declines dramatically on the upper parts of the corporate ladder. Only 9% of vice presidents in supply chain organizations in the U.S., Canada, and Europe are people of color.

"POC representation already starts to drop at the very first level of leadership," Ms. Stiffler said. "Compared to the overall representation in the workforce, there's nearly a 50% drop once at the manager and supervisor positions. This trend then continues in the upper parts of the career ladder."

"This is a systemic issue that goes back to the 1970s, '80s and '90s that unfortunately isn't unique to supply chain. As supply chain emerged as a function, many of its management and employees

migrated from other functions such as finance and engineering, which due to their own narrow talent pipelines were primarily staffed with white males," said Mr. Eshkenazi. "As in many fields, more progress is needed. Supply chain organizations can lead the way by creating an environment where diverse talent is valued, included and developed."

The biggest differences in POC representation are not between industries, but again between organization sizes. Large supply chains with an annual revenue of $5 billion or more show greater representation of people of color than any of their smaller peers at all levels of the organization.

"In the largest global supply chain organizations, 13% of vice president positions are occupied by people of color, compared to 6% in small businesses," Ms. Stiffler said. "While large, global organizations clearly benefit from better access to diverse talent, they're also putting in the work to practice inclusion in leadership development and succession planning."

However, the coronavirus pandemic has prompted a change in workplace culture which might provide smaller businesses with the opportunity to catch up. "Due to the rise of remote and hybrid work, even smaller supply chain organizations will have the opportunity to hire diverse talent, simply because the available talent pool is bigger and more diverse," Ms. Stiffler added.

Concrete Actions Lead to Progress

Once supply chain organizations have goals and objectives, those should translate into specific projects and initiatives. DEI is particularly vulnerable to statements and goals that are not always backed up by actions. Thirty-six percent of respondents said that the supply chain organization is leading initiatives, while 20% said their company has enterprise-wide initiatives. This leaves 44% who don't have any kind of initiative or are still considering starting one.

"The most successful initiatives are those that are integrated in the recruiting and pipeline planning process. In recruiting, that means diverse interview panels, diversity referral programs, summer internship programs for diverse students, blind resumé reviews and diverse campus recruiting. In integrated pipeline planning, it means re-designing recruiting, development, performance management, and succession planning to reduce bias," Ms. Stiffler concluded.

"Prior to the pandemic, demand for supply chain professionals exceeded supply by a ratio of six to one," added Mr. Eshkenazi. "This need will only continue to grow, which is why it's critical that teens have access to education and mentorship about career opportunities in supply chain regardless of their gender or color."

Read the full report at "2021 Supply Chain Diversity, Equity & Inclusion Survey: Commitment Skyrockets, Requires Follow-Through".

*For Editors:
The Supply Chain Diversity, Equity and Inclusion Survey was conducted online from \November 11 through December 14, 2020 among 298 respondents primarily in the U.S., Canada, and Europe. The Association for Supply Chain Management (ASCM) partnered with Gartner to develop the survey and recruit participants. The survey posed broad questions about different DEI dimensions –

race/ethnicity, gender, LGBTQ+, physical and cognitive ability, veteran status, age – and specific questions about representation and DEI practices specific to race and ethnicity.

About the Gartner Supply Chain Practice

The Gartner Supply Chain Practice brings together the most relevant analysis, peer-based best practices, metrics and data across Gartner and offers supply chain leaders a platform to make the choices that will drive their business forward. Additional information is available at https://www.gartner.com/en/supply-chain. Follow news and update from the Gartner Supply Chain Practice on Twitter and LinkedIn using #GartnerSC.

About ASCM

The Association for Supply Chain Management (ASCM) is the global leader in supply chain organizational transformation, innovation, and leadership. As the largest nonprofit association for supply chain, ASCM is an unbiased partner, connecting companies around the world to the newest thought leadership on all aspects of supply chain. ASCM is built on a foundation of APICS certification and training spanning 60 years. Now, ASCM is driving innovation in the industry with new products, services and partnerships that enable companies to further optimize their supply chains, secure their competitive advantage and positively influence their bottom lines. For more information, visit www.ascm.org.

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