



DREXEL UNIVERSITY
LeBow
College of Business

WORDS OR ACTIONS

How Executives Can Impact
Recruiting and Retention

54% OF EMPLOYEES
GLOBALLY believe that CEOs should
speak publicly on political and social
issues they care about.

**Can your business afford to *not*
take action?**



Danesha Chisholm, DBA '22
Senior Compliance Manager,
Microsoft Corporation

Brand Values and Attracting Talent

When it comes to your organization's brand, current and potential employees as well as customers look beyond the logo, color palette and advertising to see the company behind it all. Today, researching a company's brand and values play a huge role in attracting and retaining talent.

86% of employees and job seekers research company reviews and ratings to decide where to apply for a job.

The Most Important Employer Branding Statistics To Know, Glassdoor, 4/5/21

As society continues to evolve, so too does the role of executives leading the organizations that serve our communities. With successful companies recognizing the across-the-board benefits of hiring and maintaining a diverse workforce, true leadership from the executive suite is in demand not only to navigate economic challenges but also to weather societal changes and upheaval.

In her recent study, "Words and Actions Matter: The Link Between Executive Symbolism and Organizational Recruitment," Danesha Chisholm, DBA '22, sought to understand how the words and actions of organizational leaders had a downstream effect on organizational recruitment, and how organizations could incorporate those words and actions into a strategy to recruit, attract and hire diverse candidates.

"I want senior leaders and decision-makers to see this type of research matters and it impacts their bottom line."

Danesha Chisholm,
DBA '22

EXECUTIVE SYMBOLISM — the intentional action taken by an organizational leader utilizing theme-aligned symbols to send messages that support a particular strategic theme the executive aims to advance — can come in two forms: Symbolic Actions and Substantive Actions.

Symbolic Actions include language, personal role modeling or events, all of which are typically flexible and inexpensive.

Example: “We are committed to take action to address racial injustice and inequity, and unequivocally believe that Black lives matter. We will look into ways we can address this inequity in our organization.”

Substantive Actions are more tangible, taken with the added intention of sending theme-reinforcing messages. These can typically require significant planning, resources and money.

Example: “We are committed to take action to help address racial injustice and inequity, and unequivocally believe that Black lives matter. To increase Black representation and to demonstrate a culture of inclusion, we will build on our diversity and inclusion (D&I) momentum from the past five years by adding an additional \$150 million of D&I investment and will double the number of Black and African American People Managers, Senior Individual Contributors and Senior Leaders throughout the company by 2025.”

The difference in these two examples is in the specifics and intent to enact real change. The Substantive Action, communicated by Microsoft CEO Satya Nadella in 2020, included specific, tangible commitments the organization was committing, rather than the symbolic example which offered no specifics or substance.

This is where executives can turn word into deed and strengthen their organization’s brand and its values.

According to Chisholm, how an organizational leader confronts a social issue can have a real and direct impact on how the job market views that organization. “Job seekers and communities at large look more favorably on an organization where the leadership is making concrete statements and taking necessary steps to confront an issue, whether that’s environmental concerns, social justice issues or equity initiatives,” she said.

In fact, research suggests that executive leaders who take a more Substantive Action on issues that matter to their employees or potential applicants have a greater influence on credibility perceptions when compared to primarily Symbolic Actions. Even more importantly, more Substantive Actions have greater influence on recruitment and intent-to-apply than more Symbolic Actions. In essence, job seekers, consumers and employees look for organizations to not just talk the talk, but walk the walk when it comes to issues they care about.

“I had no desire, no plans to transition away from government until I read the statement made by Satya Nadella, CEO of Microsoft. It touched me in such a way, that I had to target — or begin my pursuit — of Microsoft. It was in that moment I realized that I want to work for a transformational leader; an organization that understands my plight, understands my people, recognizes there is a problem and be willing to make strides to change that — that’s what attracted me to Microsoft.”

Daneshia Chisholm, DBA '22

According to Carina Cortez, chief people officer at Glassdoor, “Many companies have been making commitments around D&I in recent months, but now jobseekers and employees want to see action and real change from employers” (Diversity & Inclusion Workplace Survey, 2020). Therefore, candidates are no longer only interested in salary and benefit packages. Instead, candidates are interested in working for companies that support social justice issues and diversity via tangible actions. And it is equally important to understand how different groups view D&I initiatives, as these beliefs potentially impact the attractiveness of organizations. Therefore, how organizations recruit and retain the right talent is critical to the survival of any organization.

Dan Schawbel, bestselling author and managing partner at Workplace Intelligence, a New York City-based HR research and advisory firm, says, “Companies recognize that they are being scrutinized more than ever by stakeholders and are committing to aggressive diversity targets.”

That level of scrutiny — from job seekers, current employees and other stakeholders — makes it vital for an organization vocalizing Substantive Actions to follow through and be transparent with their progress.

Example of Substantive Actions and Progress Made on Those Commitments

Source: Racial Equality Journey Black Initiative ([pepsico.com](https://www.pepsico.com))

In 2020, PepsiCo launched their Racial Equality Journey (REJ) Initiative, which is investing more than \$570 million over five years to increase Black and Hispanic representation at PepsiCo and in their partnerships and supply chain. The Black Initiative within PepsiCo’s REJ is an investment of more than \$400 million to increase Black representation at PepsiCo, support Black businesses and empower Black communities.

“Expanding our Black managerial population by 30 percent by 2025 through internal development and recruitment — we will add more than 250 Black associates to managerial roles by 2025, including adding a minimum of 100 Black associates to our executive ranks. While 14 percent of our U.S. workforce is Black, we know we need to increase representation in leadership.” Ramon L. Laguarta, Chairman and Chief Executive Officer, PepsiCo, June 2020.

Laguarta has stated that the company will focus on three main pillars: People, Business and Communities. Below are the details on how the Black Initiative within the REJ will execute the primarily Substantive Action embedded in the CEO statement:

PEOPLE

- Increasing Black managerial representation to 10% including adding 100 Black associates to executive ranks
- Expanding to 10% of PepsiCo's workforce by 2025 to mirror workforce availability of the communities where they work
- Expanding recruitment efforts with HBCU's and community colleges
- Providing mandatory unconscious bias training
- Increasing partnership with diverse organizations at their core schools
- Developing a robust suite of inclusion training tools

BUSINESSES

- More than doubling the spending of Black-owned suppliers with an incremental spend of \$350M
- Investing \$50M over five years to strengthen Black-owned small businesses
- Committing to increase participation of Black voices in creative marketing content

COMMUNITIES

- Investing \$25M to establish scholarship support for students transitioning from two-year to four-year programs, and scaling efforts to support trade/certificate and academic two-year degrees through community colleges
- Delivering \$6.5M in community impact grants to address systemic issues
- Investing \$5M to launch a Community Leader Fellowship program

Progress

(Per 2022 REJ Report)

Below is not the complete list of progress that PepsiCo has made, but these Substantive Actions and the RESULTS of these actions further demonstrate PepsiCo's commitment to racial equality.

PEOPLE

- Increased Black managerial representation to 8.4%, progressing towards the 2025 goal of 10%
- Added 22 associates to the organization's executives ranks (22% of the goal)
- PepsiCo's DIG IN (initiative to support Black-owned restaurants) and PepsiCo Foundation's Black restaurant accelerator programs have invested more than \$22M to support the growth of Black-owned restaurants (100 Black restaurateurs received grants in 11 cities)

BUSINESSES

- Spent more than \$241M with Black-owned suppliers

COMMUNITIES

- UPLIFT Community College Scholarship program provided 1,800 scholarships across 20 cities
- The S.M.I.L.E. (Success Matters in Life & Education) initiative has awarded scholarships to 25 Black students to help them transition from two-year to four-year colleges and universities

When considering an organization as a potential place of employment, 54% of employees globally believe that CEOs should speak publicly on controversial political and social issues they care about.

2019 Edelman Trust Barometer

Taking substantive steps on issues your employees, customers and potential applicants care about, such as diversity and inclusion, can lead directly to better financial performance. Analyses done by McKinsey & Company in 2014, 2017 and 2019 found that companies in the top quartile for gender diversity were 25 percent more likely to have above-average profitability than those with less diversity. Just as compelling, companies in the top quartile for ethnic/cultural diversity outperformed those companies with less diversity by 36 percent.

What's more, a strong employer brand can reduce cost-per-hire by as much as 50 percent, while a negative reputation can cost a company as much as 10 percent more per hire. (Glassdoor, 4/5/21)

So What Can Executives Do?

There is a connection between what CEOs say and do and its impact on outside forces, mainly jobseekers and the impact on recruitment. Below is a list on how executives can add VALUE to their workforces via executive symbolism:

Vocalize: Speak up! A CEO who speaks out against social injustice benefit by doing so, as the perception of the CEOs credibility is favorable. In short, we know people want to work for credible leaders — this study provides evidence to support this claim.

Acknowledgment: In practice, CEOs and senior leaders must acknowledge the plights of their workforce — in Chisholm's study, racism — which is one way a leader can build trust with current employees and potential employees.

Lead by Example: If a CEO wants to positively influence recruitment, then the statements used by that CEO must be partly symbolic or backed and supported by tangible actions. The results of this research provide the first-ever empirical evidence that the words and actions of CEOs have significant meaning — and that meaning is critical to the recruitment of diverse talent. Strategic rhetoric, or

executive symbolism, can be used as a strategy to attract and recruit jobseekers, while simultaneously retaining existing talent.

Urgency: Employers must adopt a sense of urgency to remedy the effects of systemic racism and understand that it permeates in many different ways inside and outside of work environments.

Empathize and Encourage: Executives must be genuine — in their reaction and response to the issue at hand. As stated by Shaun Harper, diversity, equity and inclusion expert and professor at the University of Southern California, executives must “replace usual sanitized, corporatized language that ultimately says nothing with more honest and authentic reactions.” In terms of encouragement, executives should usher employees to engage in self-care regimes in times of stress and trauma. Per Harper, for companies that can afford to do so, these should be paid wellness days.

About

Danesha “Dee” Chisholm, DBA (Doctor of Business Administration), is a first-generation college graduate. Chisholm earned her DBA from Drexel University’s LeBow College of Business, and a Master of Accountancy (MAcc) and Bachelor of Science in accounting and finance from Rutgers University Business School, graduating with highest honors. Chisholm is currently a global senior compliance manager for Microsoft Corporation, where she engages directly with partners to mitigate corruption risk. Passionate about the advancement and education of minority women, Chisholm founded a tech company, She Geeks, LLC, that addresses the lack of knowledge-sharing and technological

education within African American communities. Among her various leadership roles and accomplishments, Chisholm is a Certified Internal Auditor® (CIA®), Certified Fraud Examiner (CFE), Certified Government Auditing Professional® (CGAP®) and holds the Certification in Risk Management Assurance® (CRMA®) designation. She was twice named one of Maryland’s 40 Under 40 and was recognized as one of Maryland’s Top 100 Women in 2022.

Chisholm would like to thank her dissertation chair, Lauren D’Innocenzo, PhD, for her significant insight and support as Chisholm embarked on her inaugural research journey and pursuit of earning a DBA. D’Innocenzo is an associate professor of organizational behavior and Provost Solutions Fellow at Drexel’s LeBow College of Business. She is among the nationally recognized faculty who work closely with Drexel LeBow DBA students in the development, research and presentation of their dissertations. D’Innocenzo’s research focuses on understanding team effectiveness by exploring compositional elements, contextual influences and emergent team dynamics, and she was recently awarded a multi-year, \$1 million+ grant from the U.S. Army Contracting Command to support this research. D’Innocenzo works as a Senior Consortium Fellow with the Army Research Institute.



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The Executive Doctorate in Business Administration (DBA)

at Drexel University's LeBow College of Business is an immersive business education rooted in partnership, research and innovation. The Drexel DBA equips executives and senior managers with scientific methods to address complex industry and organizational challenges through an integrative framework of empirical exploration and evidence-based decision-making. Offered by an AACSB-accredited business school at an R1 University, the part-time, cohorted DBA is led by an interdisciplinary team of research-active faculty, leverages a hybrid residency delivery structure and employs a mentored dissertation model.

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