

# Justice, Equity, Diversity, and Inclusion: Why JEDIs Belong in the CleanTech Sector

## Table of Contents

Executive Summary.....	2
Background on the Issue.....	3-4
Better Business Outcomes.....	5
Happier workers.....	5-6
A Diverse Workforce leads to Diverse and Innovative Ideas...	6-7
Conclusion.....	7-8

## Executive Summary

Justice, Equity, Diversity, and Inclusion in the workplace yield critical business outcomes. Even though 75% of Americans surveyed in a [recent Pew Research Center](#) study said it was important for companies to promote racial and ethnic diversity in the workplace, many industries still have a lot of work to do to promote gender and racial equity and the CleanTech sector is no exception.

[In the U.S. solar industry specifically](#), women make up 28% of the workforce, and relatively few hold leadership positions. Minority groups are also underrepresented in the cleantech workforce.

While it's clear that the CleanTech industry struggles to foster diversity, it's also clear that having a diverse workforce leads to better business outcomes, happier employees, and more innovative ideas.

[One study found](#) that companies in the top quartile for gender diversity outperform their competitors by 15% and those in the top quartile for ethnic diversity outperform their competitors by 35%.

According to a 2019 survey by [Wrike](#), 58% of U.S. workers would take a pay cut to accept a job that made them happier. Similarly, the survey found 91% of happy employees said they're "very productive" at work. And, these happy employees are 30% more likely to say their office diversity is "above average" than unhappy employees. Per the report, happy employees thrive in a diverse work environment.

Increased diversity also leads to increased innovation. [A Deloitte study found](#) that when employees "think their organization is committed to and supportive of diversity, and they feel included," their ability to innovate increases by 83%.

Creating a work environment that is just and equitable and promotes diversity and inclusion is no small task but there are some concrete steps that organizations can take to take a step in the right direction.

Fostering a listening environment and working to expose and reduce unconscious biases in both employees and management can help to create a more inclusive work environment.

Additionally, changing the screening process and adjusting how you hire new candidates can help to reduce some of the racial bias in the hiring system. Finally, mentorship programs are also great at retaining employees and one study found that mentorship programs translated into a [72% higher retention rate](#) amongst mentees of the program.

Achieving true equity isn't easy, but it's worth the effort and when we strive to create more diverse workplaces, everyone wins.

## Background on the Issue

While 75% of Americans surveyed in a [recent Pew Research Center](#) study said it was important for companies to promote racial and ethnic diversity in the workplace, many industries remain relatively homogenous and have a lot of work to do to increase both gender and racial diversity.

The CleanTech industry is no exception and continues to struggle at ensuring workforce diversity.

Citing [data from the Solar Foundation](#), Greentech America's 2019 solar work force was 73% white, 17% Hispanic or Latinx, 9% Asian, and 8% African American—in a country that is 60% white, 18% Hispanic or Latinx, 13% African American, and 6% Asian. Go higher up the ranks and the lack of diversity grows even more stark: 88% of senior solar executives are white.

[The wind industry](#) workforce didn't fare much better. In 2018, 69% of the industry's workers were white.

According to [the most recent statistics reported by World Bank](#), women make up 49.6% of the global population, but only 39.4% of the labor force.

The technology sector is even worse off. Women currently hold [21% of the high executive positions in the technology sector](#), while they represent only [13% of the highest positions](#) if the engineering field is considered. Of all ICT patents, 88% have been registered by all-male teams, and the gender pay gap is a reality, with women being paid from [18% to 22% less than men](#).

[In the U.S. solar industry specifically](#), women make up 28% of the workforce, and relatively few hold leadership positions. Minority groups are also underrepresented in the cleantech workforce.

[Only 6.6% of solar workers in 2016](#) were African American, according to The Solar Foundation. For comparison, African Americans make up 13.3% of the U.S. population, according to the 2016 census. Latinos and Asian-Americans fare much better, at 17.2% and 9.1% working in the U.S. solar industry, respectively. Census data finds these minority groups make up 17.8 and 5.7% of the U.S. population, respectively.

Women currently working in technological sectors find several barriers that prevent them from starting or progressing in their professional career. In a recent global survey carried out among women working in technology, the [following aspects were highlighted as strong barriers](#):

48% found there was a lack of mentors during their professional career

42% thought there was a lack of female role models

39% experienced gender bias in the workplace

36% pointed out that they had unequal growth opportunities compared to men

35% indicated that there was a gender pay gap for the same skills

The higher up in management you go, the less diverse it gets. [A 2016 study by Fenwick and West](#) showed that the largest 150 Silicon Valley public companies averaged only 14% women directors and an average of only 0.8 women executive officers. Additionally, almost 58% of main boards in the FTSE100 currently have no ethnic minority presence.

Furthermore, [77% of S&P500 company boards](#) are more than two-thirds male, and only 2% have more than 50% women members.

A [2017 research report](#) by Electricity Human Resources Canada, seeking solutions to help boost participation by women in clean technology, outlined some of those other, familiar barriers.

They included:

- difficulty in setting a clear career path due to a lack of knowledge about opportunities in the sector
- a limited number of visible role models in the sector
- perceptions of a traditionally male-dominated industry and workplace culture
- family obligations and a lack of family-friendly human resource policies and culture

While it's clear that the global workforce and the CleanTech industry in particular struggle to ensure diversity and equity, it's also clear that striving to create a more equitable workforce results in numerous benefits such as better business outcomes, happier employees, and more diverse ideas.

## **Diversity Leads to Better Business Outcomes**

The facts are overwhelmingly clear that a diverse workforce leads to better business outcomes. [One study found](#) that companies in the top quartile for gender diversity outperform their competitors by 15% and those in the top quartile for ethnic diversity outperform their competitors by 35%.

[Another study found that](#) for companies ranking in the top quartile of executive-board diversity, ROEs (Returns on Equity) were 53% higher, on average, than they were for those in the bottom quartile. At the same time, EBIT margins at the most diverse companies were 14% higher, on average, than those of the least diverse companies. The results were similar across all but one of the countries we studied; an exception was ROE performance in France; but even there, EBIT was 50 percent higher for diverse companies.

Additionally, according to a recent [Harvard Business Review study](#), companies with above-average total diversity had both 19% higher innovation revenues and 9% higher EBIT margins.

[One study found](#) that companies that have more diverse management teams have 19% higher revenue due to innovation and [another study found that](#) diverse teams make decisions twice as fast and with half the number of meetings as nondiverse teams and deliver decisions with 60% better results.

[The final advantage of increased diversity](#) and inclusion is higher revenues for your business. According to a study by the Harvard Business Review, employees with 2-D diversity are 45% more likely to report their firm's market share grew over the previous year. Additionally, employees with 2-D diversity are 70% more likely to report their company captured a new market from a year earlier.

## **A Diverse Workplace is a Happy Workplace**

Another benefit of a diverse workplace is that employees tend to be happier at organizations that foster diversity.

When employees think their organization is highly committed to, and supportive of diversity, and they feel highly included, then they are [80% more likely to agree](#) that they work in a high performing organization.

According to a 2019 survey by [Wrike](#), 58% of U.S. workers would take a pay cut to accept a job that made them happier. Similarly, the survey found 91% of happy employees said they're "very productive" at work. And, these happy employees are 30% more likely to say their office

diversity is “above average” than unhappy employees. Per the report, happy employees thrive in a diverse work environment.

[Another study found that](#) workplace diversity can make organizations more productive and profitable. Happy workplaces contagiously inspire empowerment, innovation, and performance. Diversity also brings differences that we must understand and embrace for those benefits to be realized.

Among the advantages of diversity in the workplace are: better problem solving, higher productivity, better employee relations, new language skills, better client insight, and new processes.

By consciously integrating workers from culturally diverse backgrounds into their workforce, Gulf organizations become much stronger and their workplaces become happier. Diversity-intelligent leaders ensure that diversity is an integral part of the business plan, essential to successful projects, programs, products, and increased sales. This is especially true in today’s global marketplace, as organizations interact with different cultures and clients.

Additionally, recent studies have shown that employees consider how diverse a workplace is when deciding where to work.

[The job site Glassdoor found](#) that 67% of job seekers overall look at workforce diversity when evaluating an offer and [a recent survey found](#) that 61% of women look at the gender diversity of the employer’s leadership team when deciding where to work.

## **A Diverse Workforce Leads to Diverse and Innovative Ideas**

In addition to better business outcomes and a happier workforce, multiple studies have shown that having a diverse workforce leads to more diverse and innovative ideas.

Of 321 large global enterprises—companies with at least \$500 million in annual revenue—surveyed in a [Forbes study](#) in 2011, 85% agreed or strongly agreed that diversity is crucial to fostering innovation in the workplace.

[Research shows](#) that diversity of thinking is a wellspring of creativity, enhancing innovation by about 20%. It also enables groups to spot risks, reducing these by up to 30%. And it smooths the implementation of decisions by creating buy-in and trust.

[A Deloitte study found](#) that when employees “think their organization is committed to and supportive of diversity, and they feel included,” their ability to innovate increases by 83%.

Additionally, [a study from Tufts](#) looked at how juries react when they’re comprised of one homogeneous racial group as compared to a mixed group.

“In the study involving mock juries, panels of whites and blacks deliberated longer, raised more facts about the case, and conducted broader deliberations [than white-only panels].”

For businesses, this is a study pointing out the value of diversity in discussion. By bringing in external viewpoints, businesses can find new ways of looking at a problem and can overcome their tunnel vision.

The results are clear: [innovation stems from the ability to](#) approach an issue and find solutions from different perspectives. When you have a team of people with different skills, life experiences and cultural backgrounds, you are more likely to get fresh, new ideas.

## Conclusion

While many industries, including the CleanTech industry, struggle to create a diverse workforce, it's clear that fostering diversity and equity in the workplace leads to happier employees, better business outcomes, and more innovative ideas.

Creating a just and equitable workplace for all races and genders is no small task but there are some concrete steps that organizations can take to increase diversity.

First, businesses can [expose and reduce unconscious biases](#) among leadership. This requires some humility and training of upper- and mid-level management, but it ultimately will unveil the full potential of your entire talent pool. Acknowledging the lack of diversity in the first place and educating employees with optional diversity training is the first step in building a more diverse workforce.

Secondly, [organizations can increase diversity by fostering](#) a listening environment and embracing diverse viewpoints. By doing this, your company will benefit from diversity of thought that will drive better and more innovative solutions for your clients. Additionally, establishing mentorship programs within your organization can help to foster diversity, as one study found that only about [15% of firms have special college recruitment programs](#) for women and minorities. Mentorship programs are also great at retaining employees and one study found that mentorship programs translated into a [72% higher retention rate](#) amongst mentees of the program.

Finally, adjusting how you screen and search for candidates can lead to a more diverse hiring process. When a whopping [80% of jobs are never posted online](#) but filled through referral or internal hires, your current employees play a large role in who gets hired next. If the majority of the staff is one demographic, increasing diversity through a referral-based hiring program becomes more difficult, and culturally skewed.

[It comes down to unlearning bias](#). While this takes time and education, there are some great strategies and practical software programs that help combat bias in the hiring process:

- [Unbiasify Chrome Extension](#): This is a free Google Chrome extension that enables users to remove visibility of names and photos from sites like LinkedIn, Facebook, and Twitter, to mitigate any unconscious bias.
- [Textio](#): An augmented writing platform that helps companies create more inclusive job descriptions.
- [Gender Decoder](#): If you are looking to hire more female minorities in your workplace, or female hires in general, screen your job descriptions on this free site. This helps create a balance between masculine words (driven, competitive) and feminine words (dependable, collaborative) in the description to attract a variety of talent.

It takes time and dedication to change the current system, but when we all come together to strive for a more diverse and equitable future, everyone wins.