

New Research from ASCM and SHRM Reveals How IE&D Fuels Competitive Advantage, Improves Recruitment and Retention in Supply Chain

Report offers action plan for meeting goals and addressing IE&D-related challenges and gaps in supply chain departments

CHICAGO — JUNE 11, 2024 — The Association for Supply Chain Management (ASCM), SHRM, and the SHRM Foundation, today released a report titled "The Power of IE&D in the Supply Chain: Unlocking Resilience and Growth" on the state of inclusion, equity and diversity (IE&D) within the supply chain industry. The findings show that when IE&D is implemented effectively, nearly three fourths (73%) of supply chain managers report their company outperforms competitors. Furthermore, more than three quarters of HR professionals at companies with effective IE&D said they experienced low turnover and that employees at those companies were more likely to recommend their company's supply chain department as a "great place to work."

"Inclusion, Equity, and Diversity are not just moral imperatives; they are strategic advantages in supply chain management. An inclusive approach fosters a sense of belonging and commitment among all stakeholders, from employees to suppliers, which can significantly improve morale and productivity," *Johnny C. Taylor, Jr. SHRM-SCP, President and CEO, SHRM commented.* "IE&D together make supply chains more adaptable and responsive to changes in the global market, ultimately leading to better customer service and stronger competitive positioning."

While IE&D initiatives may be commonplace, they are not always effective. According to the report, 62% percent of supply chain managers and 54% of HR professionals from companies with supply chain departments say their company has IE&D initiatives. Yet, when asked how effective they believe their company is at achieving IE&D-related progress within their supply chain staff or department, only 29% of supply chain managers and 20% of HR professionals rate their company as very effective.

Additional key findings from the report include:

- Ineffective IE&D plays a large role in supply chain employees' likelihood to leave their company especially among women and workers of color.
- Those who feel their company is not effective at making IE&D-related progress in their department are 4.5 times more likely to say they often feel burned out. Women are six times more and workers of color are ten times more likely to say they often felt like they wanted to quit within the past six months.
- While large and publicly traded-for-profit companies with supply chain departments are the most likely to have IE&D initiatives, the quality of these programs lags behind others.
- Companies rated as being very effective at IE&D have initiatives that span more than twice the number of business areas than those that are not effective.
- Companies are three times more likely to be very effective at achieving IE&D-related progress
 when supply chain leaders are held accountable for these achievements.



"Strengthening IE&D initiatives is essential to developing and retaining exceptional talent, which can result in more resilient supply chains," said ASCM CEO Abe Eshkenazi, CSCP, CPA, CAE. "When organizations do the opposite—scale back or eliminate IE&D — it leaves them vulnerable to staff shortages, resignations, and production delays, ultimately hurting the bottom line. Business leaders must involve all departments in IE&D strategy planning and encourage company-wide prioritization of IE&D."

While addressing IE&D related challenges is not an easy task, results from this report show that this undertaking is well worth the effort as both employers and employees benefit from these investments. Based on the report's research, companies may consider the following strategies:

- 1. Establish buy-in and involvement at the highest levels.
- 2. Create IE&D goals and hold leaders accountable for achieving them.
- 3. Demand that supply chain is part of the conversation.
- 4. Be creative in how IE&D can be applied across different business operations.
- 5. Use training as a resource, not the sole solution.

To read the full report, please visit SHRM and ASCM.

Methodology/Demographics

SHRM and ASCM recruited a U.S.-based sample of 1,442 participants to take part in the survey between October 2023 and December 2023. Respondents included 447 supply chain managers, 298 supply chain workers, and 697 HR professionals. Supply chain managers and workers were recruited through ASCM's members and customers. HR professionals were recruited through SHRM's Voice of Work panel. HR professionals were required to work in a company with employees responsible for supply chain management for at least three years. The data is unweighted.

About ASCM

The Association for Supply Chain Management (ASCM) is the global pacesetter of organizational transformation, talent development and supply chain innovation. As the largest association for supply chain, ASCM members and worldwide alliances fuel innovation and inspire accountability for resilient, dynamic and sustainable operations. ASCM is built on a foundation of world-class APICS education, certification and career resources, which encompass award-winning workforce development, relevant content, groundbreaking industry standards and a diverse community of professionals to create a better world through supply chain. To learn more, visit <u>ASCM.org</u>.



About SHRM

SHRM is a member-driven catalyst for creating better workplaces where people and businesses thrive together. As the trusted authority on all things work, SHRM is the foremost expert, researcher, advocate, and thought leader on issues and innovations impacting today's evolving workplaces. With nearly 340,000 members in 180 countries, SHRM touches the lives of more than 362 million workers and their families globally. Discover more at SHRM.org.

About the SHRM Foundation

SHRM Foundation empowers Human Resources as a force for social good. As the nonprofit arm of SHRM, the world's largest HR professional society, the Foundation believes that HR holds a unique position to lead change in the face of complex challenges within the world of work. The organization mobilizes and equips HR to ensure the prosperity and thriving of talent and workplaces. The Foundation works by widening pathways to work for more skills-first candidates and more kinds of talent; tackling societal challenges, with a current focus on workplace mental health and wellness; and strengthening the HR field with even more diversity, growth, and readiness to address these needs. SHRM Foundation works with SHRM, courageous partners, and bold investors to generate awareness, action, and impact to build a world of work that works for all. Discover more at SHRMFoundation.org.

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