

**Publication: Value Walk Online**

**Date: 24 July 2017**

**Headline: Corporate Inequality Equates To Significant Drop In Customers**

## **Corporate Inequality Equates To Significant Drop In Customers**

(Portland, OR) July 24, 2017 – Evidence continues to mount that bias is bad for business. The link between consumer loyalty—along with consumer disaffection—and how a corporation treats employees has been an increasingly prominent issue, highlighted by a unique study conducted in 2016 by Dr. Arunima Krishna, Assistant Professor of Public Relations at Boston University, and Dr. Soojin Kim of Singapore Management University. (1)

More recently, Uber's succession of high-profile problems, including allegations of sexual harassment, discriminatory workplace culture, legal disputes, and 200,000 customers deciding to #DeleteUber, culminated in June of this year. (2) (3)

The 2016 study was designed to gauge consumers' reactions to allegations of gender discrimination against companies they patronized. The team surveyed 473 American consumers by asking each to read a mock newspaper article reporting alleged gender discrimination by companies of which they were customers (i.e., Apple, Nestle, Adidas). It was found that consumer trust in, satisfaction with, commitment to, and loyalty to the companies took a significant hit.

"These studies and events confirm something we've known for quite some time," says Bill Proudman, CEO of diversity consulting firm White Men As Full Diversity Partners (WMFDP). "Bias and discrimination are commonly part and parcel to company culture and require concerted efforts to uproot and replace with a tolerant mindset. Inequity in the workplace breeds lack of consumer loyalty while inclusive cultures can yield a stronger customer base."

Proudman's firm, which he co-founded with author Michael Welp in the mid-1990s, concentrates its efforts on the leaders who define workplace culture—namely, white male C-suite leadership. By engaging in this way, it seeks to rewire and rewrite the culture from the top down.

Other studies and trends indicate a similar pattern. A report from McKinsey & Company, Diversity Matters, examined 366 public companies across a wide range of industries, and stated, "Companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians. Companies in the top quartile for gender diversity are 15 percent more likely to have financial returns above their respective national industry medians." (4)

A string of lawsuits on gender discrimination in Silicon Valley, including some against giants Google and Oracle, are another index of the growing cost of deep-rooted bias in company culture. Last year, for example, before the case was even filed, Qualcomm agreed to pay \$19.5 million to settle a class action lawsuit representing 3,300 employees. (5)

"It's time for leaders to step back and take a sober look at what's happening within their ranks," says Proudman. "All the evidence points to the fact that these internal problems have dramatic effects on highly-connected consumer decisions to either do business with or withdraw allegiance from corporations. Fortunately, the solutions do exist. Once these leaders step back, it's time for them to step up, set a precedent, and usher in a new phase of diversity and equality."

About White Men As Full Diversity Partners (WMFDP):

White Men As Full Diversity Partners (WMFDP) is a diversity and leadership development firm founded in 1996 by Bill Proudman, Michael Welp, Ph.D., and JoAnn Morris in Portland, Oregon. WMFDP takes an unorthodox approach towards eradicating bias and discrimination in the workplace. Its client list includes Alaska Airlines, Dell, Lockheed Martin, Northwestern Mutual, Chevron Drilling & Completions, The Nature Conservancy, Mass Mutual, and others. The majority of C-level executives are white and male, and they are frequently omitted from a vital role in diversity and equality.

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Proudman and Welp observed that these critical subjects were not being taken to the doorstep of these leaders—all to the detriment of struggling minorities and the economy as a whole. With a background that includes extensive field work in post-Apartheid South Africa in the early 1990s, Proudman and Welp have dedicated the last two decades to educating and engaging leaders of any race, color, gender or orientation. Welp is the author of the book, *Four Days to Change*. With an insightful foreword by Proudman, the book chronicles the journey from rural South Africa to the boardrooms of America—all to lay the groundwork of a global paradigm shift.

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