

Towards an inclusive future

Insights into the diversity, equity, and inclusion journey of the transport and logistics sectors and a toolkit to get started

Provided by the Journal of Commerce
TPM DEI Honors team



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by S&P Global

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Top Takeaways

- Responding companies in all categories focus on recruiting staff from minorities, which means there is an awareness to increase the diversity of staff in the transport and logistics sectors.
- Common trends beyond recruitment, among all categories, are the effort to diversify supply chains, DEI employee groups, and continued DEI training.
- The bigger the company, the bigger the budget. Larger companies also have a dedicated DEI team, while smaller companies incorporate DEI into HR roles.
- At the same time, smaller companies mention charity donations as a way of showing financial responsibility – which often gets rolled into DEI but should be considered philanthropy.
- It is of note that in all three categories, from small to large companies, there is a lack of pay gap reports and collecting data on the demographics of the employees, however in order to improve, you need to know your baseline data. It is therefore strongly encouraged that companies start taking stock of who makes up their workforce – and supply chain.

Welcome

Diversity, equity, and inclusion (DEI). Three words we often hear in relation to the efforts that companies are making to attract and retain talent in the workplace. But, in reality, it's all about people.

Business leaders are working with their human resources teams to diversify their employees, hiring people from different backgrounds to add new perspectives and experiences to their teams and to give their people the freedom to be creative and innovative.

People managers are nurturing growth opportunities for staff members. The goal is to create an atmosphere where every team member feels as though they belong and are welcome to be themselves.

DEI allows people, and businesses, to flourish. Many organizations are also encouraging diversity, equity and inclusion in the wider community, including suppliers and customers.

At TPM22, we launched the Salute to Diversity Honors to recognize efforts to advance DEI within the transport and logistics industry by organizations. Any company or organization within transport and logistics – of any size and in any location – was encouraged to submit a nomination.

Our aim for the DEI Honors is to shed light on the many ways that people are implementing DEI and the results companies have seen. We hope that folks throughout the industry see the possibilities and feel encouraged to drive DEI forward within their own organizations. We believe that this will lead to greater DEI awareness and implementation in the long term, resulting in more talent, innovation, and success throughout the industry.

During TPM22 we were able to see many examples of how companies, ranging from small to large organizations throughout the supply chain, drive business success and competitiveness through their DEI projects. We recognized five organizations that stood out to the judging panel of DEI professionals and awarded the inaugural Salute to Diversity Honor to the Port of New York-New Jersey for truly exceptional efforts in DEI.

Nominations for the 2023 DEI Honors are now being assessed and the 2023 honorees will be presented at TPM23 on Monday, 27 February, at 3pm, at the conclusion of the Talent Acquisition panel

Building on last year, we've made several changes to our process, including splitting the honors into four categories. The new categories are: small-medium size organization; large organization; and best stand-out recruitment as well as retention initiative. In addition, we'll be working with our judging panel of DEI professionals to provide feedback to all nominees on what is laudable in their efforts and on how they may be able to improve.

We look forward to announcing the 2023 DEI Honorees and sharing the great work that these transport and logistics companies have been doing to promote diversity, equity, and inclusion for their people.



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Full biographies and DEI statements of the committee members can be found on the TPM DEI Honors website.

Meet the judges

Gennifer Herley, PhD, is founder and executive director of TransNewYork. Her career has taken two paths: corporate management roles and business and personal coaching. These have merged into nonprofit organizational leadership. Her leadership experience includes managing all operational activities, such as finances, business development, sales, marketing, and fundraising. Dr. Herley excels at developing and monitoring budgets and resources, planning and executing short- and long-range goals, and redesigning programs to respond to the changing needs of the LGBTQ community, with a focus on transgender members of the community. Herley is a proud transgender woman who recently transitioned.



Heidi Heseltine specialises in diversity, equity, and inclusion for the global maritime sector, working at an industry, corporate and individual level to support progress and change in DEI across the shore based and seafaring communities. She founded the Diversity Study Group in 2018 to provide data, benchmarking, industry collaboration and DEI consulting services for the maritime sector. Heseltine also owns and oversees the maritime search and advisory firm Halcyon Recruitment, which specialises within the global shore-based shipping and maritime sector. Heseltine also serves as an advisor and judge for industry initiatives focusing on diversity and inclusion.



Fabrice Houdart is the executive director of the Association of LGBTQ+ Corporate Directors. He consults with Fortune 500 companies on LGBTQ+ issues and teaches a class titled Queering International Development at Georgetown University, USA. Houdart previously worked for the UN/World Bank system for 19 years. Among other roles, he served as a human rights officer at the United Nations in New York from 2016-2020 where he co-authored and led the UN Global LGBTQ+ standards of conduct for business, the largest corporate social responsibility initiative on LGBTQ+ issues in the world. Houdart volunteers on several non-profit boards.



Khairunnisa Mohamedali, PhD is chief innovation officer at The Smarty Train, a London-based training, recruitment, and talent development firm. She brings over 10 years of experience in organizational culture, award-winning innovation, and human-centered design. A social scientist by training, she uses methodological rigor and a holistic systems approach to lead the design and delivery of inclusive experiences that have impact, embed learning, and change behaviors. Working cross-sector, she is a published methodologist, was selected as a Woman of the Future, and most recently lectured at the London School of Economics.



Ashley Mathis is a diversity, equity, and inclusion (DEI) senior analyst at S&P Global. Mathis is responsible for driving priorities, policies, and programs that advance S&P Global's DEI strategy across four business divisions and shared capabilities and is the external benchmarking surveys and awards lead for the DEI team. As a passionate change advocate, she previously consulted with nonprofit organizations, colleges, universities, and community-based organizations to develop DEI strategies and facilitate social justice and DEI workshops.



Introduction

In order to succeed in today's tight labor markets, companies need an inclusive, diverse, and equitable workforce.

This whitepaper was therefore produced based on the Journal of Commerce TPM DEI Honors, to take stock of diversity, equity and inclusion efforts in the transportation and logistics sectors.

The TPM DEI Honors are open for submission to any transportation and logistics company, irrespective of size and location.

In 2022, during the Journal of Commerce's flagship conference TPM, which takes place annually in Long Beach, CA, in February, the team awarded the inaugural TPM DEI Honors to the Port Authority of New York-New Jersey for its efforts to create an inclusive workforce across its portfolio and to encourage its suppliers to take stock of their own diversity and their supply chains (you can find an interview with the port authority on page 11).

In 2023, the winner of the TPM DEI Honors will be announced on Monday, 27 February, at 3pm, at the conclusion of the Talent Acquisition panel.

From the pool of the inaugural TPM DEI Honors submissions received in 2022, the Journal of Commerce team has produced the following analysis, which – while not a representative survey – serves as both an insight into DEI efforts in the transportation and logistics sectors as well as a toolkit for companies that are just getting started with diversifying their businesses.



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The submission form for the TPM DEI Honors included questions related to how companies are encouraging diverse recruitment, driving an inclusive work culture, embedding DEI as a core value, supporting DEI externally and with a dedicated DEI budget.

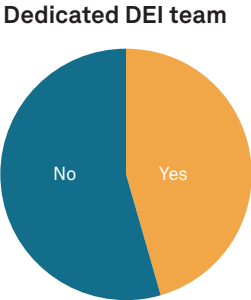
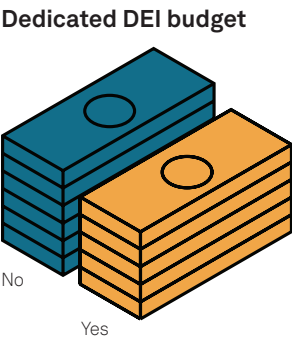
Using the data from those long-form submissions, the JOC team created an anonymized matrix to determine quantifiable answers in three categories relating to the size of the companies.

A few general notes before we dive into the data:

Because the data was not collected as part of a representative survey but rather as nominations for the TPM DEI Honors, there may be a positivity bias within the data given that only companies with a DEI focus will have submitted their work for consideration of the TPM DEI Honors.

Apart from the company size, companies were split into different sub-categories depending on their predominant work focus. Those sectors are ocean, rail, and truck transport, freight forwarding, ports and terminals, and import and export companies.

Companies with up to 1,000 employees



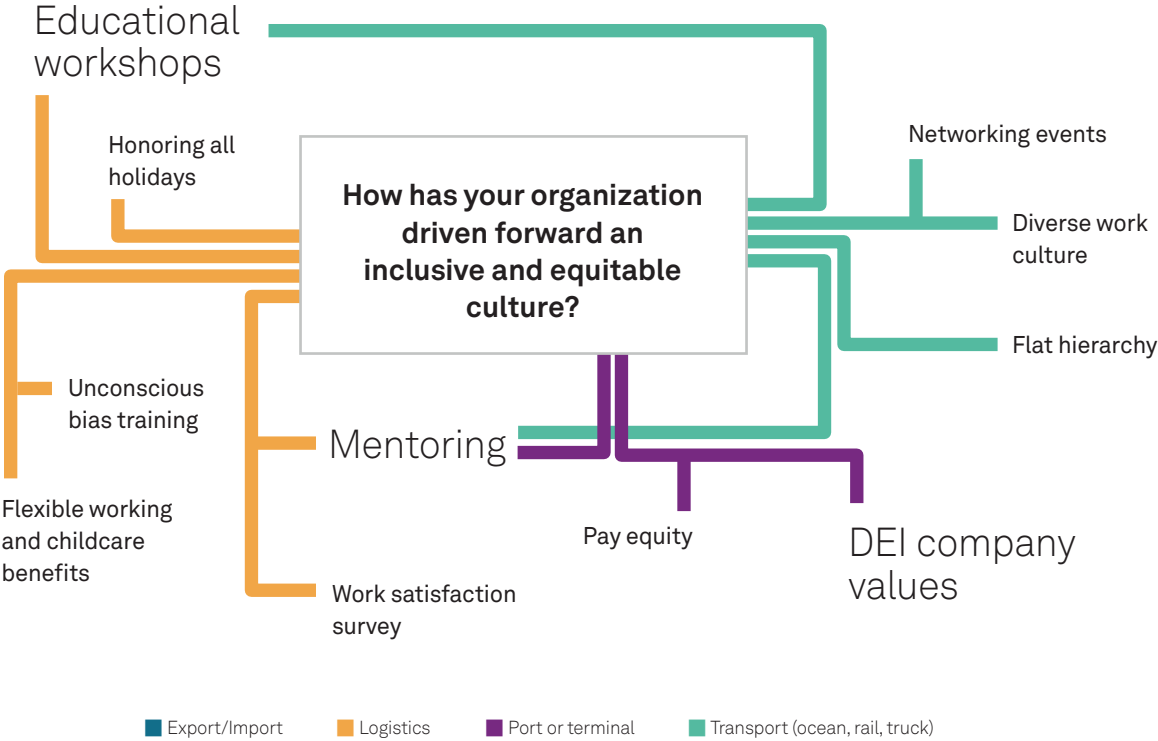
There were 11 respondents, the largest subset overall in this analysis. The number of employees within those represented companies ranged from five to 853.

Across sectors in this subset, some companies reported having official policies in place to ensure diverse hiring processes such as employment quotas and collecting demographic data of employees. Others reported they promote an understanding of mutual respect via internal value systems.

Companies in this category focus on recruiting people from minorities, giving priority to female candidates as well as veterans. This includes placements for internships.

A few offer ongoing DEI unconscious bias training and mentoring, and have internal diversity councils in place. However, this is a rarity within those smaller companies.

In this category, the HR manager of the company is typically responsible for diversity and inclusion efforts. Only one company in this subset has a dedicated director of culture.



With one exception, the transport companies have no distinct DEI team or budget. However, they initiated conscious DEI efforts earlier than logistics companies with budget and teams. With one exception, the logistics companies have DEI budgets.

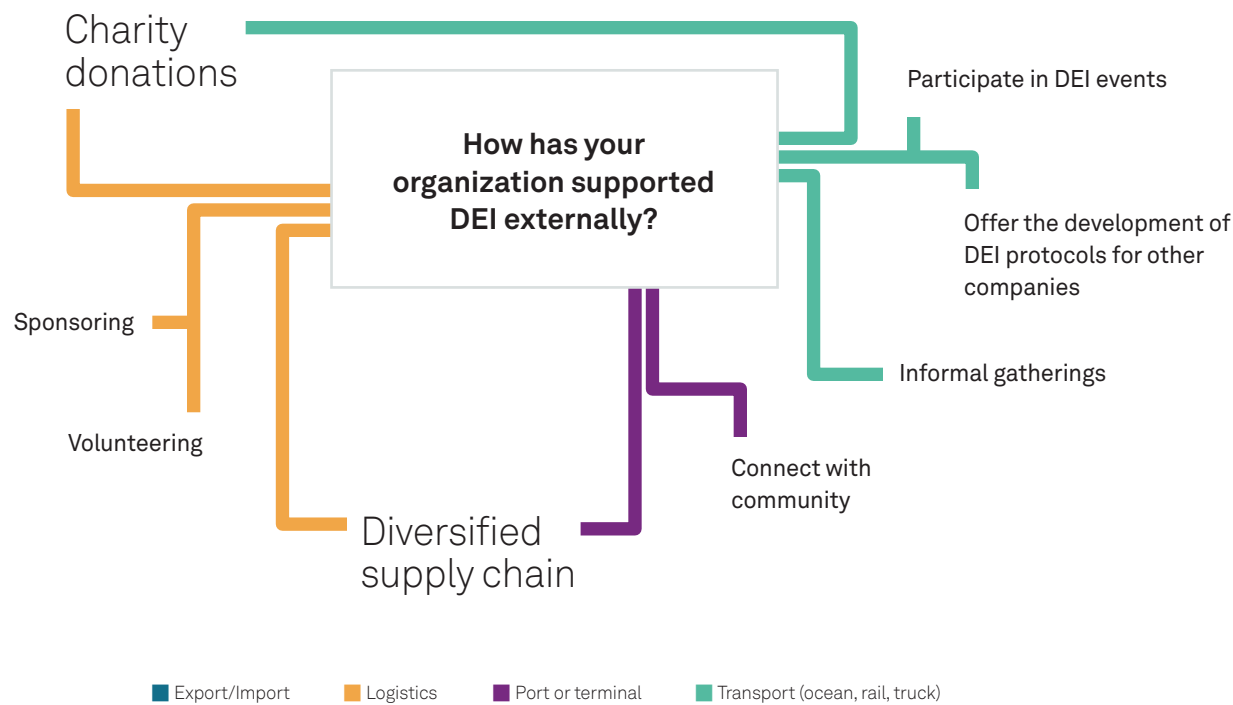
To gather baseline data around those topics, the companies use pay gap reports or work satisfaction surveys.

Externally, the small company subset used charitable donations and the sponsoring of cultural events with a focus on DEI to show their commitment to diversity. However, it is of note that DEI is an effort to protect against discrimination while charity donations are considered philanthropy.

Few members of this subset looked at diversity in their supply chains or customer base, a reality perhaps reflected in the feedback one respondent noted: Clients complaining about a person's accent and difficulty understanding them. The company has asked those clients to be patient and let them know the quality of the customer service they will receive will overshadow all else.

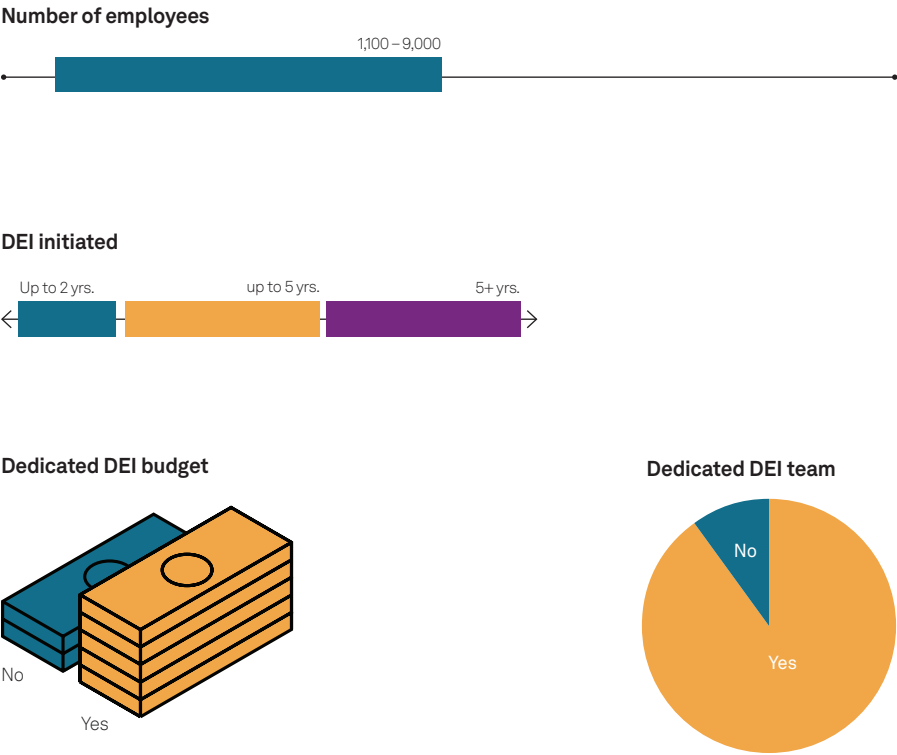
To summarize, nominees in this category might dedicate less money to diversity, making it look like they are not as serious about DEI as larger firms; however, many are clearly well past first steps. Gathering baseline data, reworking hiring concepts, establishing an inclusive culture, and reaching out to the community are all valid and important tools with which to start the inclusion journey with.





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Companies with up to 10,000 employees



The TPM DEI Honors committee received seven nominations from companies having between 1,100 and 9,000 employees

In this category, most companies have a dedicated DEI team and budget and started their inclusion journey in the past three years.

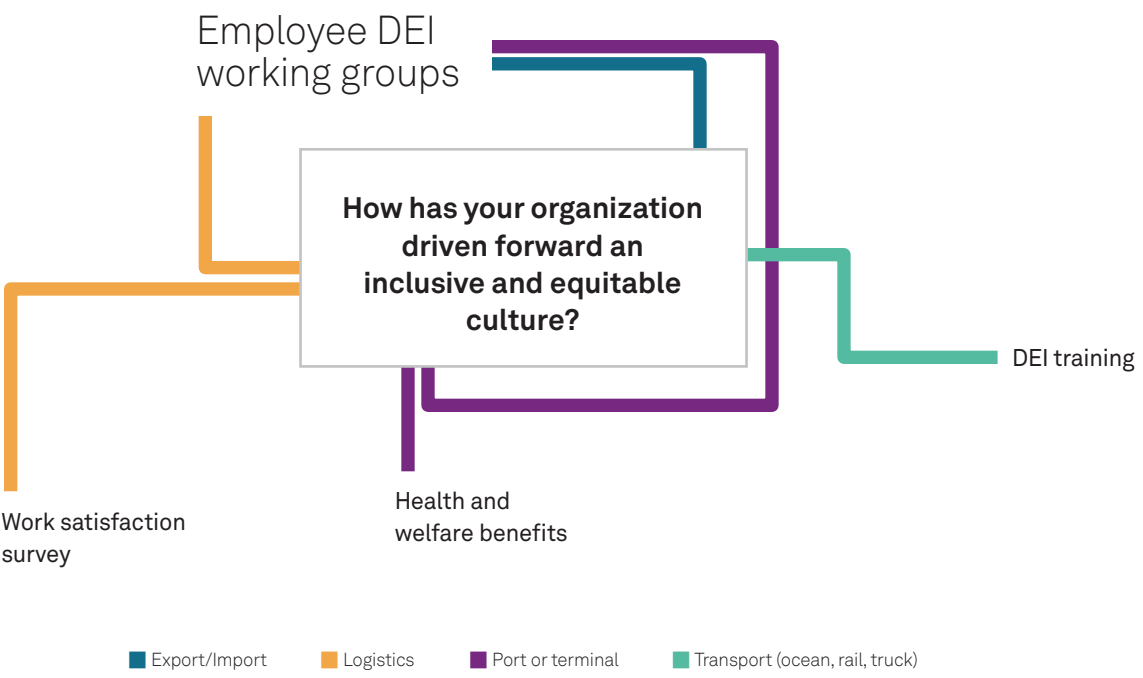
An overarching theme for the recruitment drive within those companies is outreach to local schools or institutions that support education for partnerships.

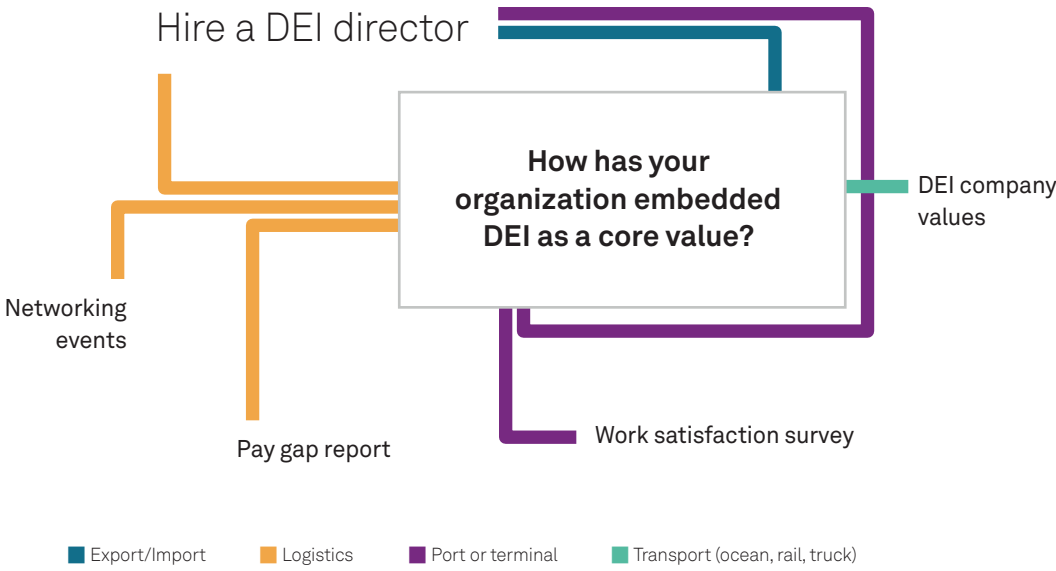
Internally, most companies have a diversity council or DEI working groups, and many respondents have hired a director of diversity and inclusion.

The mid-sized companies also use work satisfaction surveys, unconscious bias training, and pay gap reports to gather baseline data of DEI efforts.

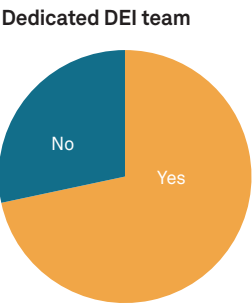
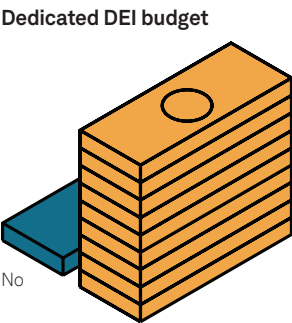
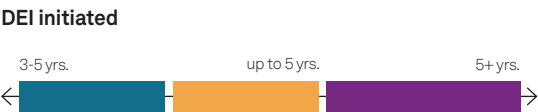
They also donate to charitable causes and participate in DEI-related events. Some are working to establish a diverse supply chain.

Within this group, dedicated DEI hires imply a more structured approach to diversity in the workplace. Interestingly, most DEI journeys in this subset began later than those of the smaller companies – but with dedicated resources.





Companies with more than 10,000 employees



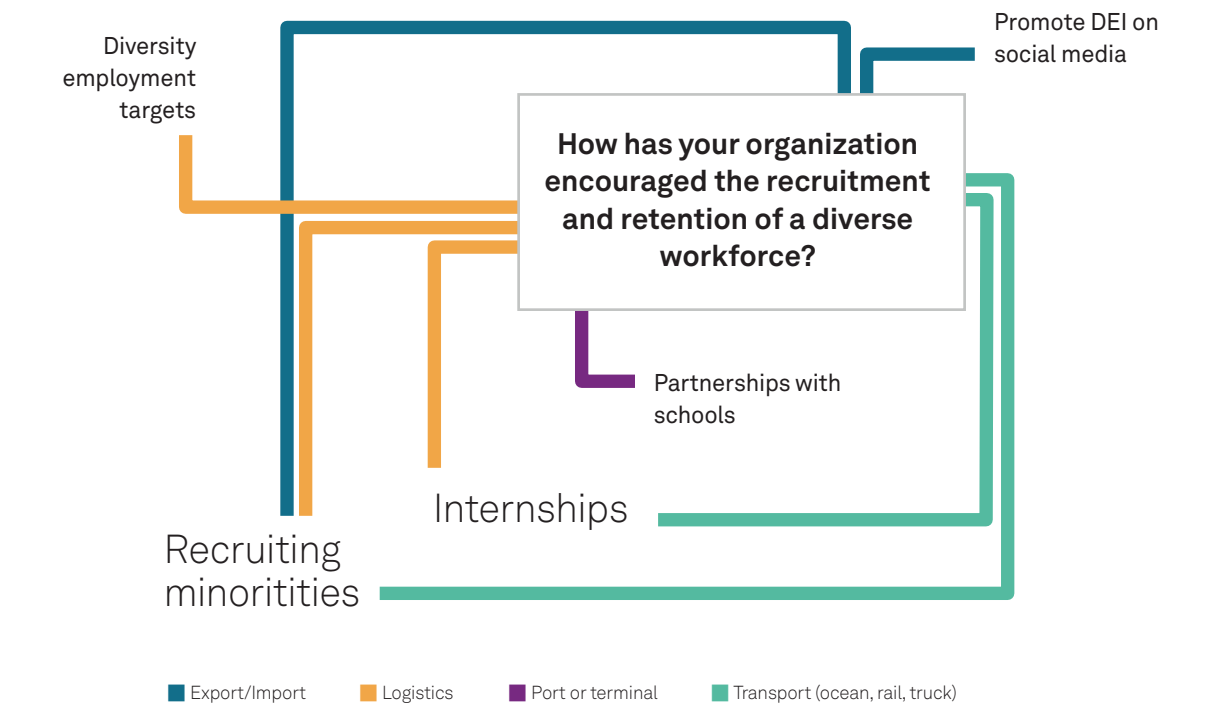
Six companies with more than 10,000 employees entered submissions for the TPM DEI Honors. The number of employees in this subset ranged from 12,000 to 450,000.

Only one company of this subset of large companies mentioned it collects workforce data via a diversity report.

However, the responding large companies have dedicated DEI teams and internal working groups to foster an inclusive culture. They have dedicated chief diversity officers who do not double as HR representative in the way seen in smaller companies.

Most of the companies within this category have built a diverse supply chain focusing on partnerships with minority-, women-, or veteran-owned enterprises.

However, there is a difference between offering to partner with diverse suppliers and measuring how many the company actually works with. To be truly diverse, companies need baseline data, and only one of the larger companies collects this data.



As with the mid-size subset, these companies encouraged outreach to local schools for recruitment partnerships and community outreach via volunteering. Again, this is not a core DEI value but philanthropy.

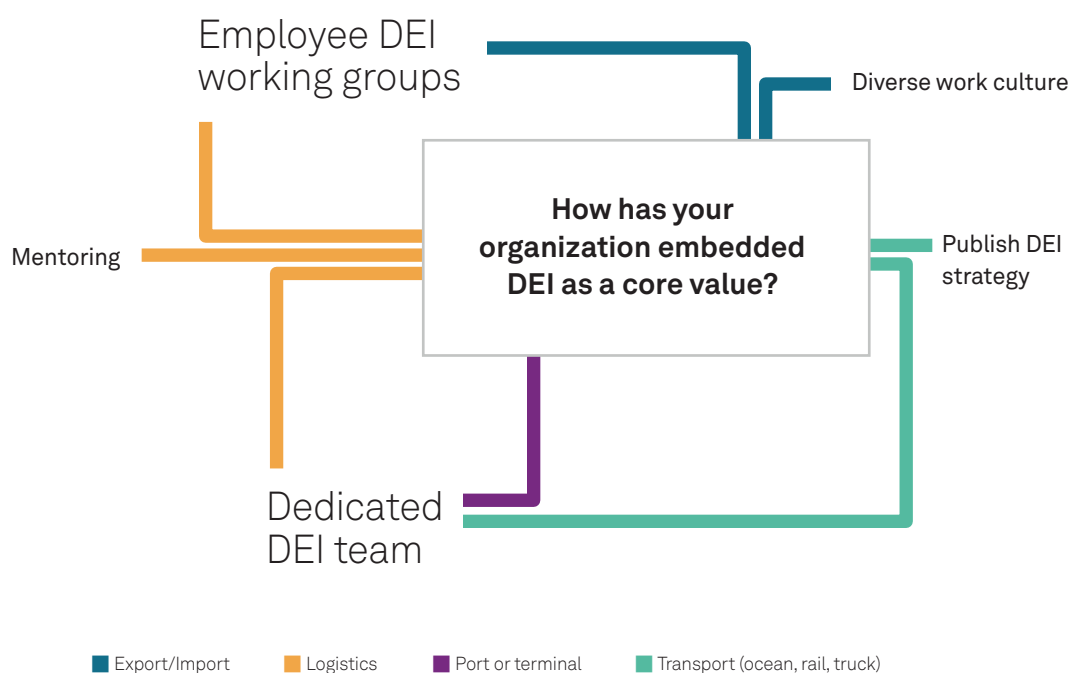
Employees who volunteer are also a great marketing tool to show a company's engagement with its community. Respondents at large companies are using social media to promote diversity efforts as well as participation in cultural festivities.

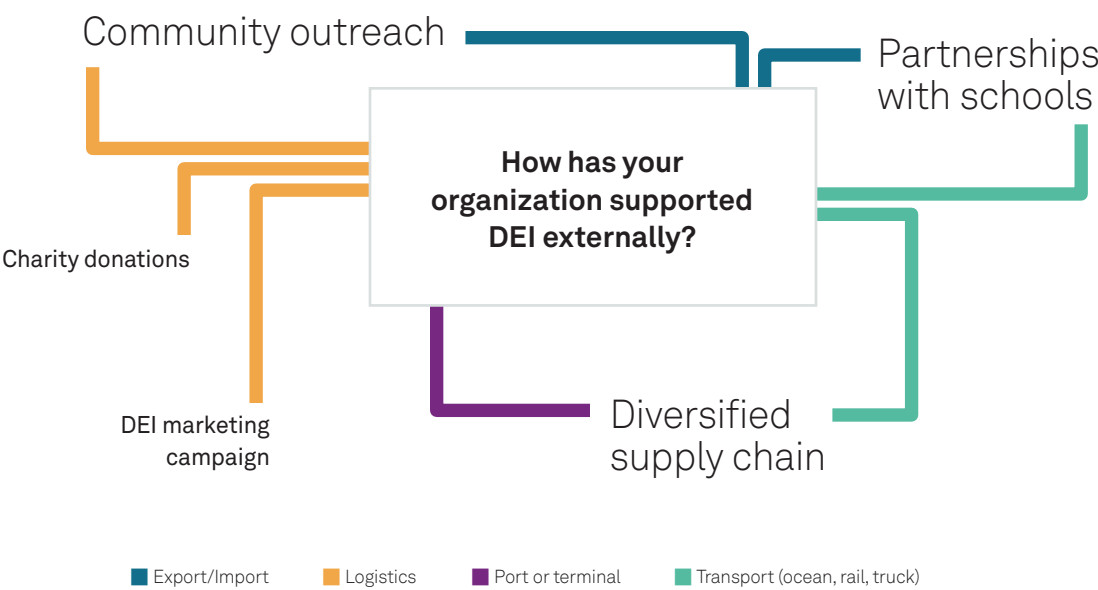
This is a clever – and cost-efficient way – to show your support for DEI.

At the same time, the larger the nominating company, based on number of employees, the fewer charitable donations were reported.

Overall, this group of respondents delivers the most structured approach to diversity, with dedicated teams tasked with inclusion in the workplace.

While local companies sometimes benefit from the lack of employment options for prospective employees, larger companies know that they compete for employees with other sectors and therefore have to offer a comfortable working environment and other enticements to recruit their employees.





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Tools to diversify your workforce



Take stock of your workforce and supply chain so you generate baseline DEI data via surveys and diversity reports



Ensure you approach local schools and diversely owned businesses to partner with you and for recruitment drives



Reward diverse referrals – in recruitment and in your supply chain



Incorporate diversity and anti-discriminatory policies into your work culture



Establish internal work groups that focus on DEI



Offer mentoring to your employees to ensure retention at your company



Offer DEI and unconscious bias training to your workforce



Set DEI targets throughout all levels of the organization to ensure you keep expanding your workforce in a diverse manner



Celebrate the different cultures that make up your workforce

Further reading



To help companies with ethnicity and gender disclosure of board composition and senior management. [View PDF ↗](#)



The UK Financial Conduct Authority has published a discussion paper, which is an interesting read to compare how other industries promote DEI. [View PDF ↗](#)

Case study: Port of New York-New Jersey

Building on momentum

In 2022, the Port Authority of New York and New Jersey received the inaugural TPM DEI Honors Award. Erica Francis, assistant director at the agency's port department, talked to S&P Global senior editor Ines Nastali about building on this recognition and setting future goals.

Q: Let's talk a bit about how your journey has gone from winning the TPM DEI Honors in early 2022, what projects you've worked on during the course of the year, to how those are going.

A: We continue our momentum from the 2022 honor. We want to be the employer of choice and diversity, equity, and inclusion weave into that. There are metrics that I can talk about from a vendor and a recruitment perspective.

Our Workforce Equity Council was created to ensure that we're thoughtful and deliberate and that we're looking at a diverse pool of candidates. When we hire, we get a diversity scorecard to ensure that we're looking at diverse candidates, from ethnicity to gender.

Once we make a selection, it has to go to the Leadership Steering Council or the Workforce Equity Council to say we did all that we can do to bring in diverse talent.

I think that is extremely helpful.



Erica Francis
Assistant director, port department
Port Authority of New York and New Jersey

“Our Workforce Equity Council was created to ensure that we’re thoughtful and deliberate and that we’re looking at a diverse pool of candidates.”

On the vendor side, we have internal metrics to commit to giving a minimum of 30 percent of contracts to minority, women-owned, small, and disadvantaged business enterprises (MWSDBE). We’ve reached that goal for 2022 with 36 percent of contracts awarded to those enterprises.

To build on this, my team and I have identified about 20 contracts – for example, I need cleaners and electricians – that will expire in 2024 where we’re saying we have potential to build a pool of more diverse vendors to apply for those contracts. So, we research potential firms and a member of our community engagement center will then reach out to those to get them certified with the agency so that they can bid on these contracts.

Some of the challenges that we see in the maritime industry is that there are not a lot of MWSDBEs. The vendor pool is limited or non-existent, and our executive director did not care to hear that. They said, “There has to be someone around. Find them. Get it done.”

And we did. We spent \$2.2 billion with MWSDBEs on the redevelopment of LaGuardia Airport in 2022. That is a huge accomplishment.

To expand on that, we’re piloting a mentoring program where our primary contractors mentor sub-contractors so that they eventually become prime contractors. That’s slow, but it’s picking up, and that’s another way to build capacity.

We’ve also gotten the feedback that the port authority is too overwhelming. So, we’ve created information sessions for potential port vendors to come in and say “We will help you understand this beast of an organization.”

“We’re in New York, New Jersey, a very diverse community, and so our organization needs to represent the community in which we serve.”



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Q: Why would you recommend participating in industry data gathering efforts or initiatives like the TPM DEI Honors?

A: I think it’s extremely important because the workforce is the heart of any organization, right?

We wanted to make sure that we heard and took action on their concerns. If our workforce is unhappy, then problems will ensue. So, for example, we did listening sessions immediately after George Floyd’s death back in 2020.

New recruiting efforts at the Port Authority Police Department came out of that. It’s important to understand the needs, the concerns, the pain, and the hurt.

We did a one-year review, and some people were saying it’s still not enough. I have the feeling there was so much inequity that it’s going to take a while to fix.

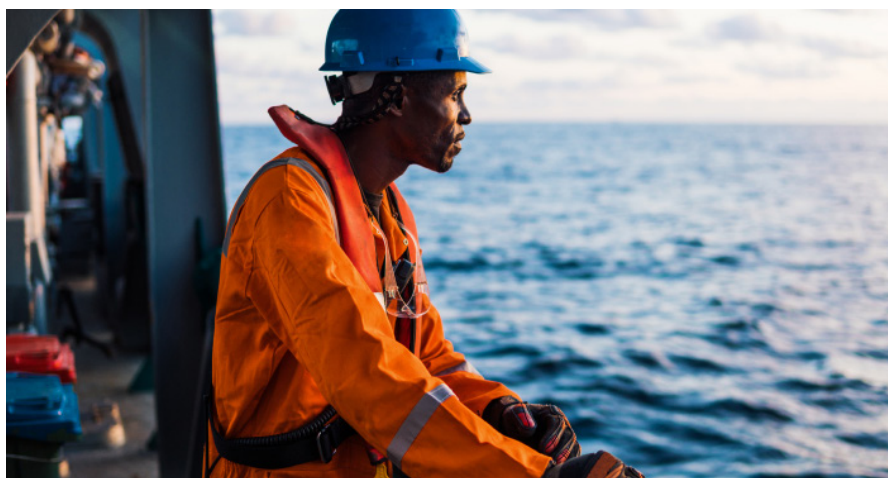
We’re sharing these concerns with the Office of Diversity, Equity, and Inclusion because if it’s being said in our department, it’s likely being felt across other divisions as well.

We’re in New York, New Jersey, a very diverse community, and so our organization needs to represent the community in which we serve.

Conclusion and outlook

Companies in all categories focus on recruiting staff from minorities and try to work with businesses that are diversely owned, which means there is an awareness of having to increase the diversity of staff in the transport and logistics sectors in order to succeed.

Internships are another tool used to open up the sectors to new staff. They are a good way to get people involved and there is often a focus on driving diversity through internships but there needs to be more encouragement to counter the lack of diversity up the management ladder and into leadership positions.



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Solutions such as mentoring can be helpful to do so. To find out how a company is doing, surveys can work to meet different goals such as driving an inclusive culture forward or embedding DEI in the organization.

Beyond recruitment, common trends in all three company categories were: an effort to diversify supply chains; creating internal DEI work groups, and continuing DEI training for employees.

Diversity and inclusion efforts are embedded into company cultures differently, based on company size. The larger the company, the bigger the budget, and larger companies are more likely to have a dedicated DEI team, while smaller companies incorporate DEI into HR roles.

At the same time, smaller companies mention charitable donations as a way to reach out to communities, which is not a core DEI value but philanthropy.

All three categories, from smallest to largest, lack gender- and ethnicity- pay gap reports and data on employee demographics. However, in order to improve, companies must know their baseline data. It is therefore strongly encouraged that companies take better stock of both their workforce and their supply chain to ensure the transportation and logistics sectors can celebrate a diverse and successful future.

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About Journal of Commerce

The Journal of Commerce, part of S&P Global, provides daily authoritative analysis of international containerized transportation and logistics offered on a subscription basis and organizes industry-leading annual conferences, including TPM, that provide immersive information and networking experiences. Information produced by a team of specialized subject matter expert journalists supports tactical and strategic decision making among corporate logistics teams and senior management at container shipping lines, logistics firms, truckers, railroads, marine terminals, port authorities, truckers and others participating along end-to-end international supply chains.

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