Creating a Culture of Diversity, Equity, and Inclusion:
Real Progress Requires Sustained Commitment
Trusaic first partnered with Harvard Business Review Analytic Services in 2019 to learn how companies here and abroad were preparing to navigate new pay equity laws. While countries around the world continue to advance legislation aimed at accelerating gender- and race-based pay equity, effective implementation and enforcement remain a challenge. Still, compliance with these critical “equal work for equal pay” laws is merely a starting point. Organizations must examine their diversity, equity, and inclusion (DEI) policies and practices holistically to achieve a truly diverse, equitable, and inclusive workplace.

Social and political discourse around equality has only intensified since we published our initial research. Pay data laws, growing public pressure, and widespread activism have pushed the issue of workplace disparity front and center. Pay transparency advocates argue that secrecy around wages reinforces discrimination and obscures structural inequalities. In sport, prominent voices are fueling efforts to overhaul pay policies for female athletes through proposed legislation such as the Even Playing Field Act and Equal Pay for Team USA Act. Against this backdrop, a global pandemic has inflicted disproportionate damage on the earnings of women and women of color and exacerbated the crisis of economic inequality.

Our latest research, conducted with Harvard Business Review Analytic Services and the Society for Human Resource Management (SHRM), explores the extent to which diversity, equity, and inclusion is a strategic priority in organizations, how companies are implementing DEI initiatives, and how successful they are (leaders) or are not (laggards) in creating a DEI-conducive culture. Companies reporting greater success have by no means conquered the complex challenges that improving DEI poses. Yet the clear takeaway from the strides they’re making is that two key factors are driving forward progress: a commitment from leadership and a commitment to data.

DEI is most effective when it’s embedded within the culture of an organization. This commitment starts at the top. Senior leadership must wholeheartedly commit to fostering a fair workplace and take an intentional, actionable, and measurable approach to creating an environment of equity and inclusion. When DEI initiatives come from the top down, they become a fundamental part of the business. Leaders must drive DEI as a strategic priority, build real accountability into their programs, and communicate goals with frequency and transparency. Without this commitment from the C-suite, the effectiveness and impact of any program are diminished.

Yet the best intentions won’t affect change without real, measurable action. Data supports firms hold themselves to account. To truly make a difference, companies must regularly monitor DEI metrics to understand their current state of play, establish benchmarks, gauge progress, identify interventions, and course correct. Access to timely and reliable data is central to closing the gap. In our study, higher-performing organizations go broader and deeper in monitoring how equitable they really are; they track all three aspects of diversity, equity, and inclusion; and they measure DEI progress across a wider range of metrics. Data is the critical compass that can lead your organization to a safer, more welcoming, more representative, and more participatory place.

As a July 2021 report from the Financial Conduct Authority (FCA) noted, an inclusive culture is “necessary to enable the benefits of diversity to flourish in thought and practice.” John Davidson of the FCA further stated, “Without safety, without inclusion, the value of diversity is lost and diversity will eventually wither and die.” Achieving diversity, equity, and inclusion respects our fundamental right to health, safety, and dignity. More than complying with the law or improving performance, it is simply the right thing to do. We hope this study serves as a valuable resource in advancing your organization’s DEI efforts.

Learn more at www.trusaic.com/payparity/.

Footnotes
Creating a Culture of Diversity, Equity, and Inclusion

Real Progress Requires Sustained Commitment

The Covid-19 pandemic and the MeToo and Black Lives Matter social movements have led many leaders to reassess their relationships with their employees. Organizations in sectors as diverse as retail, technology, manufacturing, and government want their workforces to better represent the broader communities in which they operate. These organizations are making it a priority to treat all employees equitably, and to create the conditions to make everyone feel welcomed and included. Two-thirds of respondents to a recent survey of 1,115 North American organizational leaders conducted by Harvard Business Review Analytic Services say that diversity, equity, and inclusion (DEI)* is a high strategic priority for their organization.

*For purposes of this research, Harvard Business Review Analytic Services defined DEI as follows:

**Diversity:** Having a heterogeneous mix of identities (race, ethnicity, nationality, gender, gender identity, veteran status, physical and cognitive ability, age, sexual orientation, socioeconomic class, experience, etc.).

**Equity:** Regardless of identity, all employees are compensated fairly and have the opportunity and support to succeed and grow in their jobs.

**Inclusion:** The identities of all employees are respected and valued. Employees have the opportunity to participate and contribute regardless of their identity.
However, many organizations that have tried to improve DEI over the past few years have failed to make meaningful progress. Only one-third of respondents say their organization is very successful at creating a workplace that is diverse, equitable, and inclusive. “A lot of companies started having aspirations around diversity a few years ago,” says Diana Ellsworth, a partner at management consulting firm McKinsey & Co. These aspirations “spurred various activities, but many didn’t treat it as a strategic imperative for the business. It’s important to have a strategic plan, know what success looks like, and be doing the right things to deliver.” It’s equally important to track the impact of those actions on DEI.

The murder of George Floyd in 2020 was a galvanizing moment for many, including Doug Palladini, global brand president at skateboarding apparel maker Vans, headquartered in Costa Mesa, Calif. “George Floyd’s murder changed everything for our brand,” he says. “Just saying we’re not racist isn’t enough; we had to make the switch to being a more anti-racist brand and take an active role to end the systemic parts of racism. We moved off our heels onto our toes.”

Social justice isn’t the only reason leaders want to improve DEI within their organizations. In addition to helping overcome systemic inequities that have existed for centuries, those who are furthest ahead attribute a range of organizational benefits to their DEI work, including higher levels of employee engagement, team diversity leading to innovation, success in recruiting and retaining top talent, and more satisfied customers. And there is growing evidence that taking enough of the right actions to improve DEI leads to better financial outcomes as well.1

The challenges to improving DEI are multidimensional. They start at the top, with a lack of diversity among executives, and run deep, encompassing everything from the need for greater accountability to the right kind of training and good standards and tools for measuring DEI. Indeed, a key lever to move the needle on DEI is to regularly monitor DEI metrics; communicate progress or the lack thereof to decision makers and other key stakeholders, including employees and external entities; and use that data to manage and improve DEI. Access to timely and reliable data is central to closing the gap.

This report examines the programs and practices organizations employ to increase DEI, what’s getting in the way, and how greater diversity, equity, and inclusion influences an organization’s success. It identifies DEI leaders (the 33% of respondents who rate their organization as being very successful at improving DEI), followers (the 38% who are moderately successful), and laggards (the 29% who rate their organization as unsuccessful), and it compares their experiences with DEI.

“You’ve got to run DEI like a business function, not like an HR program,” says Kathi Enderes, vice president of research at The Josh Bersin Company, a research, advisory, and professional development company headquartered in Oakland, Calif. “You need to have a strategy around DEI. You’ve got to have executive commitment to it. You need measures against it. And you can’t stop doing it just because you got some good results.”

**Commitment Starts at the Top**

If the CEO and other senior leaders aren’t committed to creating a culture that values diversity and is equitable and inclusive, progress will stall. “Leadership engagement is really critical,” says Enderes. “You can’t run any business function without senior leadership support. The CEO needs to be personally involved and driving that.”

According to the Harvard Business Review Analytic Services survey, successful organizations drive DEI as a strategic priority from the top, put a senior leader in charge of DEI efforts, and share accountability for DEI more broadly than others. What’s more, according to Enderes, when the CEO sets the strategy and frequently communicates DEI progress, the company is 6.3 times more likely to have a diverse leadership team and is also more likely to be a leader in its industry segment.

The biggest problem for those who are not successful is a lack of both representation and genuine commitment among senior leaders. Half of survey respondents from laggard organizations say they are hindered by a lack of commitment among leadership, and 72% say they are held back by a lack of diversity at senior levels of the organization.

DEI leaders are significantly more likely than followers or laggards to set goals for levels of diversity among senior executives and board members, with 44% setting such goals, compared with 32% of followers and only 17% of laggards. Some organizations have set goals to increase representation at the vice president or director level and above.

At Vans, “the employee base is incredibly diverse from entry level to managers,” says Palladini, with store associates reflecting the communities in which they are based. “But the higher you go in the ranks, the worse diversity gets. There’s a lot of work to be done.” Vans publishes its current diversity numbers on its website. The company has committed to doubling Black representation in its corporate office and to achieving 25% representation of Black, Indigenous, and people of color (BIPOC) at the director level and above by 2025.2

Publicly sharing DEI numbers is still more the exception than the rule; only 12% of respondents share these metrics with the general public. Salesforce, which is one of those, intends to double the U.S. representation of Black leaders (vice president or above) by 2023, according to Molly Ford, vice president of global equality at the San Francisco-based technology company.
McKinsey & Co. and others have identified a clear link between companies that have diverse and inclusive leadership teams and improved financial performance. “Companies in the top quartile for diversity in their executive teams have a higher likelihood of top performance,” says Ellsworth. Specifically, they have a 36% greater chance of outperformance if they are in the top quartile for diverse race and ethnicity, and a 25% chance of outperformance if in the top quartile for gender diversity.

While representation at the executive level is important, DEI leaders interviewed for this report place even more emphasis in the short term on having the commitment of executive leaders, regardless of their race or gender.

“Organizations that have CEOs who are not afraid to speak out, to tackle this topic, to incorporate it in discussions and not shy away from questions, that’s where I’ve seen cultures thrive and truly become inclusive,” says Timitra Hildebrand-Jones, vice president of DEI and talent acquisition at Albemarle Corp., a global chemical manufacturing company based in Charlotte, N.C.

There is an enormous gap between leaders (75%), followers (49%), and laggards (18%) when it comes to having a culture that consistently supports DEI. FIGURE 1 “Culture building takes constant communication, education, and awareness,” says Hildebrand-Jones. “It takes time.” Executives at leader organizations are nearly twice as likely as those at laggard organizations to regularly communicate the value of DEI (73% versus 38%).

Boston Beer Co. hosts a series called “courageous conversations,” where during a live call, executives address any issues coworkers might have—including about DEI—according to Mariah Calagione, the company’s social impact leader. The CEO frequently weighs in on DEI and other social issues in his biweekly email to the entire company.

For the past year and a half, Vans’ Palladini has included content about DEI in the company’s “off-the-wall town hall” meetings, which all office-based employees around the world attend. “Company culture is not an event. It’s not a poster you hang in the lunchroom. It’s not just something you write into your objectives once a year,” he says. “It’s the way you show up every single day.” Being consistent is crucial, he says. “It has to be always on, constantly and consistently reinforced, and it starts with me.”

**Making Progress with DEI**

Boston Beer Co. began its journey to become more diverse, equitable, and inclusive two years ago, when it formed a task force made up of coworkers to explore all aspects of the company’s DEI, according to Carissa Sweigart, leader of diversity, equity, and inclusion. The task force’s research...
The Power of Data to Drive Outcomes

Good leaders know that what gets measured gets managed. Executives who want to improve DEI use data and analytics in the following ways.

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Establish a baseline and set goals for the future. Understanding their baseline helped DEI leaders at Boston Beer Co. determine the organization’s readiness and capabilities to make sustainable change—a necessary step to set achievable goals.

Measure progress on a regular basis. Forty-seven percent of respondents to the Harvard Business Review Analytic Services survey measure progress toward their diversity and equity goals at least twice a year. Forty-three percent measure progress toward inclusion goals at least twice a year.

Communicate progress widely. Sharing DEI metrics with all employees reinforces commitment and accountability. DEI leaders are twice as likely as laggards to do so (47% compared with 24%).

Go beyond high-level metrics to identify areas for intervention. Being able to segment data by individual departments or units makes it possible to identify areas of concern hidden in otherwise positive trends. The same idea applies to specific intersections of identities (e.g., the experience of Asian women might be very different from that of women overall or Asians overall).

Hold the organization accountable. Being able to view DEI data at the department level makes it possible to hold people accountable for results. However, incentives should be introduced with care in order to drive the desired outcomes, according to experts interviewed for this report. Currently, very few organizations surveyed (12%) offer financial incentives for DEI improvements.

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included recruiting practices, representation on the company’s social sites, and how people progress through the organization. Externally, they examined “how the brand is marketed to consumers and how the company works with and supports the communities it profits from,” says Sweigart, who co-led the task force.

At the end of nine months, the task force presented its findings and made three requests to senior leadership: to designate a full-time leader for DEI, to provide more resources and support for a more diverse recruiting pipeline, and to continue and grow the task force as a committee to drive change throughout the company.

Whether working with managers or individual contributors, a critical aspect of DEI is to recognize that people have varying degrees of understanding of DEI issues and to “meet coworkers where they are,” says Boston Beer Co.’s Calagione. This recognition helps companies target their communications and training appropriately to help bring people along on the DEI journey.

At the beginning, companies may need to focus on the basics, says Jennifer Brown, CEO of Jennifer Brown Consulting, a global diversity and inclusion firm based in New York. Foundational issues include why DEI is important, what the terminology means, who is underrepresented and the history of that exclusion, and what unconscious bias looks like. “Then there’s a middle group that gets it and wants to take it to the next level,” she explains. “Training has to be targeted.” More than half of survey respondents provide training for both managers (58%) and all employees (55%). Laggards are much less likely to do so, at 38% and 37%, respectively. As different groups of cohorts progress in their level of understanding, organizations can introduce more advanced training. For instance, Salesforce offers managers a training module on inclusive leadership that helps them be more equitable in how they assign promotions and stretch assignments.

At the National Oceanic and Atmospheric Administration (NOAA), Kenneth Bailey, director of the office of inclusion and civil rights, uses data to engage senior leaders. “Presenting them with the data has helped drive commitment among agency leaders,” he says. It opens the door to conversations about what those leaders will do to improve representation, and Bailey’s team serves as a resource if they need help moving forward.

Line managers are an especially important group to focus on, since they have a daily and direct impact on employees. Brown uses a “skill and will” matrix to assess where managers are. “Is it a skill challenge [or lack of understanding] or is it a will challenge?” she says. Knowing the answer to that question will help the organization provide appropriate training and coaching.

Even leaders who are committed to supporting DEI can benefit from a reality check. Albemarle is planning to introduce an employee engagement survey with a DEI index to help convey employee sentiment to leaders about their DEI
“A leader may believe they are inclusive and that they value diversity, but when they hear from employees, it makes them pause and consider where the gap is.”

Timitra Hildebrand-Jones, vice president, DEI and talent acquisition, Albemarle Corp.
posture. “A leader may believe they are inclusive and that they value diversity, but when they hear from employees, it makes them pause and consider where the gap is,” says Hildebrand-Jones.

Efforts to expand DEI can fail if leaders and managers are not held accountable for implementing DEI practices. Laggard organizations are three times as likely as those classified as DEI leaders to suffer from a lack of accountability (57% versus 19%). Conversely, DEI leaders are much more likely to assign accountability beyond HR to include the CEO (71%), business unit heads (54%), department heads (50%), and even managers (44%). FIGURE 2

DEI leaders are also much more likely to track whether their executives support all staff equitably, with 56% doing so compared with only 35% of followers and 11% of laggards. FIGURE 3

FIGURE 2

**Leaders Extend DEI Accountability Beyond HR**

*Who is accountable for meeting DEI objectives? (RESPONSES FROM THOSE WHO HAVE SOMEONE ACCOUNTABLE)*

<table>
<thead>
<tr>
<th></th>
<th>Leaders</th>
<th>Followers</th>
<th>Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resources head</td>
<td>73%</td>
<td>66%</td>
<td>64%</td>
</tr>
<tr>
<td>CEO</td>
<td>71%</td>
<td>60%</td>
<td>44%</td>
</tr>
<tr>
<td>Business unit heads</td>
<td>54%</td>
<td>44%</td>
<td>26%</td>
</tr>
<tr>
<td>Department heads</td>
<td>50%</td>
<td>40%</td>
<td>26%</td>
</tr>
<tr>
<td>Managers</td>
<td>44%</td>
<td>37%</td>
<td>21%</td>
</tr>
<tr>
<td>DEI team leader</td>
<td>28%</td>
<td>37%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Source: Harvard Business Review Analytic Services survey, May 2021

FIGURE 3

**DEI Leaders’ Executives Support Staff Equitably**

*Does your organization track equity in any of the following areas?*

<table>
<thead>
<tr>
<th>Area</th>
<th>Leaders</th>
<th>Followers</th>
<th>Laggards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive leadership (leaders support all staff equitably)</td>
<td>56%</td>
<td>35%</td>
<td>11%</td>
</tr>
<tr>
<td>Participation in training</td>
<td>54%</td>
<td>34%</td>
<td>19%</td>
</tr>
<tr>
<td>Compensation</td>
<td>53%</td>
<td>48%</td>
<td>26%</td>
</tr>
<tr>
<td>Accommodation for different needs/abilities</td>
<td>48%</td>
<td>38%</td>
<td>16%</td>
</tr>
<tr>
<td>Promotions</td>
<td>48%</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>Receiving development and feedback</td>
<td>43%</td>
<td>25%</td>
<td>11%</td>
</tr>
<tr>
<td>Receiving recognition and praise</td>
<td>41%</td>
<td>33%</td>
<td>12%</td>
</tr>
<tr>
<td>Equity sentiment among employees</td>
<td>40%</td>
<td>25%</td>
<td>11%</td>
</tr>
<tr>
<td>Participation in mentorship programs</td>
<td>37%</td>
<td>22%</td>
<td>7%</td>
</tr>
<tr>
<td>Access to opportunities such as special projects, overtime, etc.</td>
<td>11%</td>
<td>21%</td>
<td>51%</td>
</tr>
<tr>
<td>None—we do not track equity</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Harvard Business Review Analytic Services survey, May 2021
Creating an Equitable and Inclusive Culture

Many organizations began putting more work into equity and inclusion when they found their efforts to increase diversity going nowhere. It is difficult to attract and retain good people when they don’t feel welcomed and included, or when they perceive opportunities to be unfairly weighted against them. These are systemic issues that must be attacked in a systematic way.

“Equity is about promoting justice, impartiality, and fairness,” says Yemi Akisanya, global head of DEI at Groupon, the global e-commerce marketplace based in Chicago. “[This applies] specifically within procedures, policies, processes, and the systems that govern us and that distribute resources within our corporation. There’s a lot of work that needs to be done there.”

Two-thirds of DEI leaders who track equity and inclusion have seen improvement in equity (65%) in the past two years, compared with only a quarter of laggards (25%). Similarly, 64% have seen improvement in inclusion sentiment in the past two years, compared with only 26% of laggards. In fact, nearly half of laggards (48%) don’t track inclusion at all.

Leaders go broader and deeper in monitoring how equitable their organizations really are. They are twice as likely as laggards to regularly review compensation decisions and retention rates for equity, and four times as likely to regularly review performance evaluations and promotion decisions for equity.

One way organizations can facilitate the shift to a more equitable and inclusive culture is by encouraging and supporting open conversations about DEI among employees themselves. Eighty-two percent of respondents from leader companies do, compared with 47% of laggards. In addition to its “courageous conversation” series, Boston Beer Co. provides resources and events designed to spur conversations across the company. “We’re trying to make uncomfortable conversations comfortable,” says Sweigart.

Organizations can gain a lot by paying attention to these conversations. At Albemarle, Hildebrand-Jones began her work with a three-month listening campaign that included a culture survey, 25 focus groups, and more than 100 one-on-ones. Her goal was to understand the current state, challenges and roadblocks, and the vision people had for the culture and environment five years in the future. In addition to forming the core of the company’s DEI strategy, this campaign helped to build awareness, commitment, and engagement.

Changing culture means taking on the ingrained norms that exist in organizations. For example, professional services firms have long had a “work comes first” ethos. That culture can lead to inequities of opportunity for women who take time off to have children. So when PwC introduced six weeks of paid parental leave for all employees, it spent a year doing “training and role play with all teams around how they would deal with absences and returns,” says Ariane Hegewisch, program director of employment and earnings, Institute for Women’s Policy Research (IWPR), and scholar in residence at American University. The training encouraged men to take advantage of the benefit and was explicit that “if you’re a father and you don’t take your six weeks of leave, that’s not a virtue.”

To help influence the culture at Groupon, the company established a “culture workstream team,” says Akisanya. “It’s led by leaders and influencers and mavens from a diverse array of locations and teams and functions.” The team’s charter is to change commitment from words into action. “We’re focused on performance, engagement, diversity, inclusion, and communication,” he says. “These are the ingredients that will help create that aspirational culture that is authentic and inclusive.”

A strong area of focus this year is to shift the organization away from the idea of “culture fit” to “culture add,” Akisanya says. Rather than seek individuals to fit the existing culture, Groupon wants people to “bring their uniqueness, their differences, their skills, and their perspectives—to add those into our culture to continue to create it” while preserving the fundamental values of the company.
Using Data and Metrics to Achieve Goals

Closing the DEI gap requires being able to collect reliable data and make it available to all stakeholders, especially senior leaders. “What gets measured gets done,” says Brown. “If you wait to get buy-in without measuring progress, you’re going to be waiting a long time.”

DEI leaders are more than twice as likely as laggards to track all three aspects of diversity, equity, and inclusion (70% versus 30%). They measure DEI progress across a wider range of metrics and are more likely to share results with all employees. The most common area in which organizations track diversity is in their hiring; 74% of all respondents track the diversity of new hires. Recruiting is next at 64%, followed by retention at 47%. All other aspects of diversity are tracked by less than 40% of respondents.

Leaders are significantly more likely than laggards to track diversity across all categories. FIGURE 5 “We’re measuring representation among new hires, exits, promotions—every imaginable cut you can have of the data—and publishing what we can about representation,” says Palladini.

The most notable difference between what leaders track and the rest is in development opportunities. Among respondents who track diversity, 45% of leaders do so for development opportunities compared with only 10% of laggards and 26% of followers. Leaders also measure progress toward their diversity goals more frequently, with 45% doing so quarterly, and another 18% doing so monthly.

Goal setting must be done carefully to avoid the perception of setting arbitrary quotas, says Enderes. “It does diverse members of the team a disservice because they get disqualified in some people’s minds,” she says. A critical aspect of DEI training is to help managers understand how to hire the best candidate while also increasing diversity. If specific targets are introduced too soon, managers may be tempted to short-circuit their search in order to make those numbers.

For that reason, Hildebrand-Jones is waiting to introduce targets at Albemarle. The first phase was about building commitment and engagement. In the second phase, the company is putting in place more formal learning and development around DEI. “We want the foundation to be strong before introducing targets and metrics so we can achieve them in the right way,” she says. Goals will be developed this year to be launched in 2022.

Once those metrics are in place, many companies employ dashboards to supply busy executives with up-to-date information about their workforce that they can access whenever they like. At Salesforce, this includes data on head count, new hires, attrition, and promotions, sliced by gender, race/ethnicity (in the U.S.), and grade (e.g., vice president and above). Ford and her team also “get in front of leaders once a quarter to let them know what’s happening in their business.”
74% of all respondents track the diversity of new hires. Recruiting is next at 64%, followed by retention at 47%.
10 Practices to Improve DEI

Insights from executives and findings from the Harvard Business Review Analytic Services survey uncovered many practices for increasing DEI, including the following.

**Provide a hotline for reporting DEI incidents.** Leaders from the survey are more than twice as likely as laggards to provide mechanisms for employees to report DEI incidents without fear of reprisal (63% versus 27%).

**Add a warmline for advice and coaching.** Warmlines provide early intervention and support for non-crisis situations. Salesforce's warmline helps employees deal with challenging situations like being passed over for promotion or handling microagressions. Staffers coach employees in how to have courageous conversations and advocate for themselves. The warmline also helps the company spot problems that might need to be addressed on a larger scale.

**Make full use of employee resource groups (ERGs) or networks.** ERGs have evolved into powerful groups that provide a voice for employees and help leaders understand the challenges people face. Most successful ERGs have executive sponsors who participate in meetings, help with resources, and advocate on employees behalf. At the National Oceanic and Atmospheric Administration (NOAA), ERG leaders sit on the agency's DEI management advisory committee, and there is also an executive diversity advisory council.

**Change up recruiting.** DEI leaders go beyond the usual sources of Ivy League colleges and LinkedIn, which aren't especially diverse. Groupon is partnering with Grasshopper, Girls Who Code, the National Black MBA Association, and the Hispanic Alliance for Career Advancement to expand its talent pool. Boston Beer Co. is looking to community colleges and unemployment agencies to find good talent who might have barriers to entry. They also make sure job descriptions and postings are easily accessible on mobile phones.

**Employ diverse hiring panels.** In order to ensure hiring panels are diverse, NOAA's Office of Inclusion and Civil Rights has advised the agency's hiring official to expand hiring panels, when necessary, beyond subject matter experts and the specific office or agency the position is being hired for.

**Provide just-in-time nudges about bias.** In addition to training about unconscious bias, Salesforce sends a reminder to hiring managers before interviews about biases that can creep in, and the company provides leaders with a bias primer as they are calibration-ranking their talent and doing promotions.

**Encourage advancement and provide clear development pathways.** Vans encourages store associates to let store managers know if they want to build a career with the company, and it provides a clear development pathway from store work to a role in marketing, for example. To increase the diversity of applicants and candidates to its leadership development program, NOAA no longer requires supervisor endorsement to apply—a prerequisite that was getting in the way of advancement efforts. If a candidate is accepted, they still need supervisor approval, but the supervisor must give a nondiscriminatory reason for a denial.

**Offer DEI-inclusive mentorship and sponsorship programs.** At Salesforce, leaders are encouraged to “mentor someone who doesn't look like you,” says Molly Ford, vice president of global equality. Many Black professionals in the company don't have the kind of network that others have in order to help them advance. Mentorship helps with things like getting to know hiring managers, knowing how to jump to another position, having someone who can coach them, and connecting with people who might be on their career path.

**Create a DEI steering committee.** To ensure consistency while taking into account regional differences, global companies like Albemarle have created DEI steering committees with members from different regions and functions to inform, encourage, and monitor progress of their DEI strategy.

**Share practices with DEI peers.** Timitra Hildebrand-Jones, vice president of DEI and talent acquisition at Albemarle, participates in a DEI council of her peers to share ideas and get guidance. Yemi Akisanya, global head of DEI at Groupon, participated in a call with DEI leaders from other e-commerce giants to share experiences and ideas about “what’s most pressing to move the needle going forward.”
she says, and they email business leaders a monthly reminder to check their dashboard.

More than half of respondents who track DEI metrics share them with their board, executives, and senior leadership. Leaders are twice as likely as laggards to share these numbers with all employees, as well (47% versus 24%). **FIGURE 6**

A powerful use of metrics is to look for gaps between overall company trends and what’s happening in individual units or departments. “The devil is in the details,” says Groupon’s Akisanya. For instance, the company overall may have increased representation of a specific race or ethnic group by 20% while one department dropped 6%. Once he’s identified that gap, Akisanya walks through the data with the leader of that business unit to discuss what might be happening. “I’m not telling them what to do,” he says. “We’re having a conversation about how we could improve. So it’s almost like they’re the ones to come up with the program. That way there’s buy-in, since they own it. It’s not a DEI thing where I tell them, ‘Best practice says you should have a sponsorship program.’”

At Salesforce, Ford uses data to better understand and improve equity and inclusion at the intersections of particular identities—Black women, for example. She overlays employee opinion survey data with the company’s equal employment opportunity data and creates a heat map to identify areas of opportunity. Specific questions about feeling a sense of psychological safety or whether or not someone has experienced microaggressions on the job can reveal issues for Black, Latinx, or Asian women, for example, that might be very different from what white women experience—or even the roll-up of women’s experience overall. Being able to see this greater level of detail is critical.

Outside experts can help companies with these kinds of equations. Two-fifths of respondents (40%) say their organization has proactively employed outside experts to help with DEI within the past two years; a similar percentage (44%) have not, and 16% don’t know. Even though leaders are no more likely to employ outside experts than others, they are much more likely to have seen benefits from doing so, particularly in improved measuring and tracking DEI, where they are roughly three times as likely as laggards to have benefited. The most common benefits from using outside experts are developing DEI strategies and accelerating progress to DEI goals.

### Working Across Ecosystems and Stakeholder Groups

Because inequity is often systemic, leaders committed to improving DEI look beyond their own walls to their larger ecosystem of contractors and suppliers. For instance, a few years ago, Microsoft began extending its parental leave policy to many of its contractors, requiring that those employers provide 12 weeks of paid leave to employees working for Microsoft after the birth or adoption of a child. The company did so “understanding that this would have an impact on contracts and price,” says IWPR’s Hegewisch.

Vans’ DEI interests go beyond employees to encompass the athletes it supports and its vendors—“the people who work in front of and behind the camera,” says Palladini. Vans tracks the diversity of those groups quarterly. Similarly, Groupon considers the systemic barriers its vendors face as part of its
DEI efforts. “We must do everything we can to create equity among our vendors,” Akisanya says.

Organizations have to think about the communities in which they operate, as well. Palladini started a working group of his peers from the large companies headquartered in Orange County, Calif., to discuss “what would have to be true for Orange County to become a place that was truly diverse, inclusive, equitable, and welcoming of all BIPOC cohorts,” he says.

Many CEOs, including Albemarle’s, are deepening their understanding and commitment by participating in initiatives such as CEO Action for Diversity and Inclusion, a coalition of over 2,000 CEOs who have committed to advance DEI in the workplace, and the UN Global Compact, through which CEOs commit to take action supporting principles on human rights, labor, the environment, and more, according to Hildebrand-Jones. Participating in these efforts “demonstrates leadership and a public commitment to DEI.”

DEI leaders also make an impact by supporting the work of other organizations at the local and national levels. For example, Vans takes advantage of its large fan base and social media following to help amplify the messages of organizations such as the National Association for the Advancement of Colored People (NAACP) and, locally, the Orange County Human Relations Council.

**Conclusion**
The work that DEI leaders have been doing is paying off. Leaders are much more likely than laggards and followers to have seen improvements over the past two years in representation of race and gender. The data suggests that age, ability, and sexual orientation have also shown improvements, though these are certainly harder to track. The benefits of increasing DEI have been well-documented. “Increasing DEI is a win across multiple dimensions,” says McKinsey’s Ellsworth.

Not only is it the right thing to do, but research from multiple sources, including McKinsey and Bersin, also shows that DEI leaders outperform their competitors financially.

More and more, customers, employees, and investors expect the companies they do business with to embrace and demonstrate DEI.

Even leaders who are committed to increasing DEI face challenges on a daily basis. It’s a lot of work to change the many policies and practices that get in the way. For instance, a policy that requires managers to fill positions before the end of the quarter or lose those positions often leads managers to hire people who are already in their own network.

Business pressures in fast-paced industries like technology can drive leaders to bypass some of the steps required to get DEI right, even when they support DEI efforts. For example, sales managers need to be trained in how to effectively incorporate diverse talent into their hiring process. But if it’s the fourth quarter and business is pressing, sales leaders may not be willing to take managers away from selling and hiring for the two to three days such training requires, says Ford.

The answer for executives and their DEI leaders is to be transparent about conflicting priorities and to work through them as best they can. Getting to the point where diversity, equity, and inclusion are ingrained in company culture and practices will take years.

To ensure that DEI continues to improve, executives must regularly monitor DEI metrics, use that data to better manage their efforts, and communicate progress throughout the organization. Sharing trends with employees and other stakeholders, internal and external, demonstrates that DEI progress matters and that the organization’s commitment to it is ongoing.

“You’d never say, ‘We did really well at marketing and our customer outcomes went up, so I’m never going to do marketing again,’” Enderes says. “You keep at DEI and run it as a function, not as a project that’s ever complete, because it’s not ever complete.” And that means having a strategy with real executive commitment, and measuring and monitoring those things that will truly make a difference.

**Endnotes**

A total of 1,115 respondents drawn from the HBR audience (magazine/newsletter readers, customers, HBR.org users) and SHRM’s membership completed the survey. All respondents presently reside in North America.

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<thead>
<tr>
<th>Size of Organization</th>
<th>Seniority</th>
<th>Industry</th>
<th>Job Function</th>
<th>Regions</th>
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<td>30% 10,000 or more employees</td>
<td>17% Executive management/board members</td>
<td>15% Government/not-for-profit</td>
<td>48% Human resources</td>
<td>100% North America</td>
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<td>41% Senior management</td>
<td>12% Education</td>
<td>All other functions less than 8% each.</td>
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<tr>
<td>12% 500 – 999 employees</td>
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<td></td>
<td>9% Technology</td>
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Figures may not add up to 100% due to rounding.
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