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## Key Strategies to Accelerate the Momentum of Your Diversity, Equity, and Inclusion Program

# Contents

## Introduction: Five Strategies and Why They're Needed

- 1 Lead Inclusively
- 2 Know Your Diversity Numbers
- 3 Incorporate Equity
- 4 Cultivate a Culturally Aware Climate
- 5 Learn an Inclusive Language

## Conclusion: How Affirmity Can Help

# Introduction: Five Strategies and Why They're Needed

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**There is no shortage of organizations publicly committed to action on diversity, equity, and inclusion. Many of the biggest names in corporate America can be found on pledge lists such as *CEO Action for Diversity & Inclusion*<sup>1</sup> or otherwise stating their commitment on their own corporate websites<sup>2</sup>. Nonetheless, progress locally and globally has proven incremental at best.**

For example, McKinsey's 2020 *Diversity Wins* report notes that in the five years since their first 2015 report, only a third of the firms they tracked have "significantly improved both gender and ethnic diversity on their executive teams". The majority were found to "have stalled or gone backwards"<sup>3</sup>.

It's up for debate as to the degree to which organizations are actively failing to follow through on the pledges they make. One August 2020 article from the Society for Human Resource Management (SHRM) observed significant frustration among America's business leaders who felt they aren't making progress despite budgeting significant time and money to "crack the code"<sup>4</sup>. It remains undeniable that there are few easy answers in DE&I<sup>5</sup>. Good intentions must be backed by the right framework if a strategy is to prove capable of not only delivering results, but delivering them faster.

We consider there to be five key strategies to help you improve the diversity of your workforce while driving employee engagement and collaboration. In this guide, we look at the value of diverse leadership, of being aware of diversity numbers, incorporating equity, and of cultivating a culturally aware climate, while also adopting inclusive language. The assembled evidence and best practices will help you on the path to increasing innovation and revenue in your business.

<sup>1</sup> See: [www.ceoaction.com/ceos/](http://www.ceoaction.com/ceos/)

<sup>2</sup> See: [www.aboutamazon.com/working-at-amazon/diversity-and-inclusion](http://www.aboutamazon.com/working-at-amazon/diversity-and-inclusion)

<sup>3</sup> Dixon-Fyle, S. Dolan, K. et al. (2020). *Diversity Wins: How Inclusion Matters*. McKinsey and Company. [Available online.](#)

<sup>4</sup> Taylor, J.C. (2020). *Driving Out Bias Should Start in the C-Suite*. Society for Human Resource Management. [Available online.](#)

<sup>5</sup> In this document we have chosen to discuss Diversity, Equity and Inclusion (DE&I), but you will see the area variously referred to as D&I, DEI and other combinations of terms in the literature.

# 1 Lead Inclusively

Much is rightly made of the importance of visible diversity in the C-Suite. According to HR Technologist, the headline-grabbing number of female CEOs leading US Fortune 500 companies in 2019 were still only 6.6% of total (to say nothing of the 2.8% representation of women on the global list)<sup>6</sup>. They argue, as others have often argued, that this underrepresentation sets a tone across the organization: lack of visibility for women and people of color perpetuates similarly stagnant pay disparities and workforce balance throughout the organization.

Parity is plausible. It's important for companies to lead by example and have appropriate parity of representation between women and men in executive-level positions, and between White males and underrepresented minorities. However, the responsibility to create this change belongs in no small way to today's leaders, even as policies and pledges call for improved representation in company leadership.

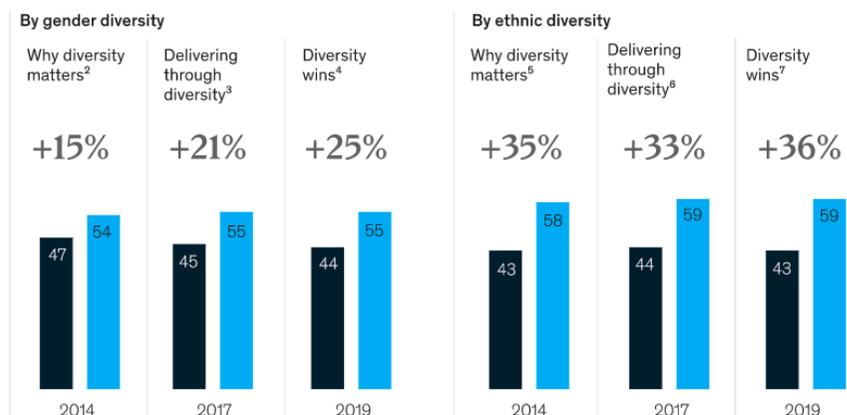
That sounds like a tough sell, but those organizations that commit and action change at their highest levels benefit from doing so. Research from McKinsey&Company<sup>7</sup> has shown that companies in the top quartile that have ethnic/cultural diversity on their executive teams were also more likely to have industry-leading profitability.

Returning again to McKinsey's *Diversity Wins*, the graph above<sup>8</sup> shows that ethnic diversity in the executive team results in a 36% increase in the likelihood of financial performance versus the national industry median. Gender diversity shows a 25% increase in the same.

## The business case for diversity in executive teams remains strong.

Likelihood of financial outperformance,<sup>1</sup>%

■ Bottom quartile ■ Top quartile



Truly inclusive leadership is ultimately about action. Any CEO—male or female—can implement policies that have an impact—positive or negative—on the working lives of women in their organization. While visible diversity is a clear direction for any business that wants to increase performance, it's not a prerequisite of action.

<sup>6</sup> Jansen, T. (2019). *The Future of Gender Pay Equality Relies on Today's Leaders*. HR Technologist. [Available online.](#)

<sup>7</sup> Hunt, V, Prince S. et al. (2018). *Delivering through Diversity*. McKinsey & Company. [Available online.](#)

<sup>8</sup> Dixon-Fyle, S. Dolan, K. et al. (2020). *Diversity Wins: How Inclusion Matters*. McKinsey & Company. [Available online.](#)

Whatever your leadership composition, you must be proactive in developing transparent and inclusive agendas around diversity. Some ways to achieve this include:

- **Make DE&I relevant to every leader:** The Chief Diversity Officer should not be the only senior leader with a primary focus on DE&I. Leaders across all areas of the organization—from executive leaders to middle managers—should be fully engaged and equally involved in the development and implementation of the organization’s DE&I strategy.
- **Invest in DE&I expertise:** DE&I training is invaluable, but it isn’t a cure-all for every issue it advises on. Organizations need to carefully hire a well-resourced team of DE&I experts—something the Society for Human Resource Management suggests only one third of employers have<sup>9</sup>.
- **Keep assessing:** Leadership should also review policies frequently to ensure that systemic biases are not hindering progress. DE&I strategies should not be static, but fluid and evolving to address any changes that have occurred in the organization.

<sup>9</sup> Taylor, J.C. (2020). *Driving Out Bias Should Start in the C-Suite*. Society for Human Resource Management. [Available online](#).



## 2 Know Your Diversity Numbers

To make progress, you need to be measuring progress—“what gets measured gets done”, as they say. Monitoring diversity and inclusion programs is the best way to measure success—or to establish the lack thereof. This enables you to determine what is and isn’t working and what therefore needs to be modified.

### Establishing Regularity and Benchmarking

To this end, your overarching goals should include a component that allows for regular checkups. Establishing a cadence of review for your program goals and data accounts for the fluidity of DE&I issues. You cannot assume, for instance, that any action that results in a positive change against your goals will repeatedly have that same impact every time it is applied.

Regularity accounts for how your numbers evolve, but benchmarking is needed to anchor your numbers to context. DE&I has traditionally struggled in this area: a compliance team habitually looks at workforce availability data, but diversity and inclusion has to be more tactical about the external benchmarks it chooses.

The data has to be applicable to your organization based on how you recruit and fill positions—more isn’t necessarily better. Potential sources of benchmark data include:

- U.S. Census data
- Geographic data
- Industry data via the American Community Survey
- IPEDS (Integrated Postsecondary Education Data System)

### The Importance of Drilling Down

One particular sticking point that organizations encounter is the amount of data they have on particular groups. When working with statistics, we’re conditioned to be wary of small numbers—particularly valuing statistical significance. This causes organizations to make decisions based on higher-level groups, such as the experiences of all women or of people of color broadly.

This “one size fits all” approach to reviewing data can cause miscalculations, and may even hinder the progress of a DE&I strategy to increase diversity representation. Those at the intersection of different groups can easily be left behind. This is demonstrated by reports such as *Women and Girls of Color in Computing*, which highlights the “dearth of research on the specific experiences and outcomes of women of color along the computing pipeline”<sup>10</sup>.

With, as the report suggests, just 2% of all employees at 177 Silicon Valley firms being Black, Latinx or Native American/Alaskan Native women, these groups may well get rolled into larger overarching groups. But data on women collectively may dictate a direction that primarily benefits White women. Data on all people of color may yield benefits only for men of color.

<sup>10</sup> Kapur Center, Arizona State University (2018) *Data Brief: Women and Girls of Color in Computing*. Women of Color in Computing Research Collaborative. [Available online.](#)

The solution, as suggested in the Harvard Business Review, is to be willing to make claims based on small numbers, to not be afraid of granularity<sup>11</sup>. It argues that small numbers are most problematic when working with *samples* of a full population—they are more meaningful when an organization has data on its full population. And when the number of employees really is too small to talk trends (when it's just a single person, or no one at all), that's "a data-point in itself".

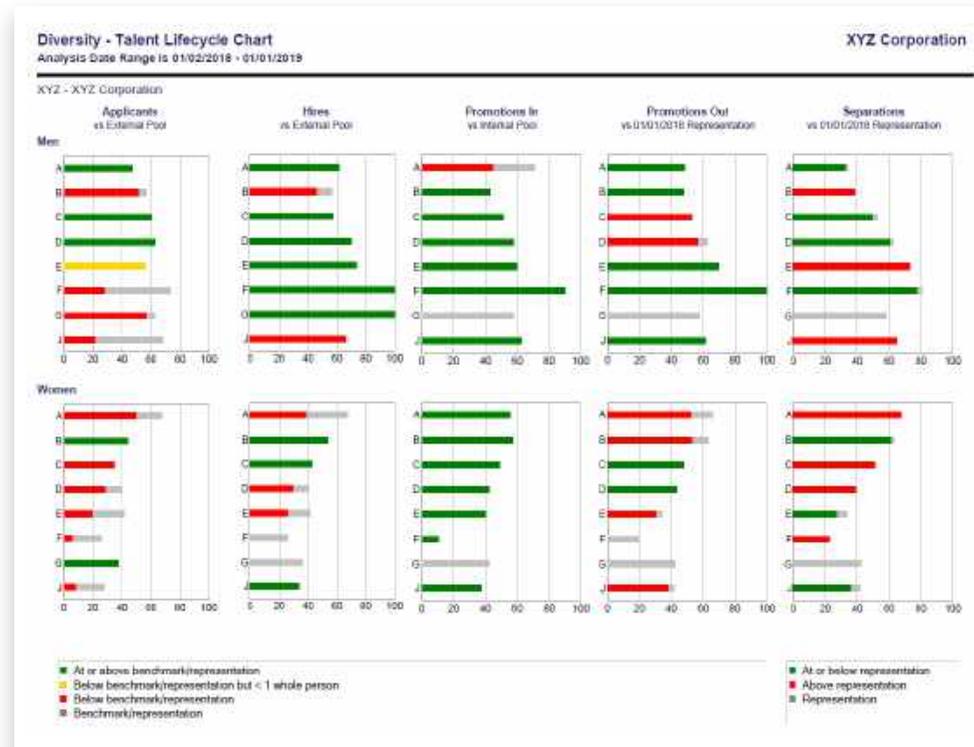
Your Numbers and the Talent Cycle

According to a Glassdoor survey<sup>12</sup>, two thirds of job seekers say a diverse workforce is an important factor when evaluating companies and job offers. It also suggested that minority groups particularly value diversity—72% of women, 89% of Black respondents, 80% of Asians, and 70% of Latinos. This reminds us that it's imperative to know your diversity numbers in order to demonstrate where your organization currently is and where it's going.

It also reminds us that hiring (and thereafter, promotion) are the parts of the talent cycle with the biggest impact. Writing in Entrepreneur, Kimberly Zhang

talks about the need to "Cast your line where the fish are"<sup>13</sup>—you'll find skilled women on women's college campuses or in professional organizations. The organization should then take inspiration and internally provide Employee Resource Groups (ERG) in which the underrepresented can gather.

This commitment to a review of hiring, promotion, and termination is ongoing, and can be most easily monitored through workforce analytics software. For example, Affirmity's Talent Lifecycle chart (shown above)<sup>14</sup> is fed by HRIS and applicant tracking system data and provides per-demographic graphs for:



- Applicants (vs external pool)
- Hires (vs external pool)
- Promotions in (vs internal pool)
- Promotions out (vs representation from the beginning of the recorded period)
- Separations (vs representation from the beginning of the recorded period)

By graphing individual stages in the talent cycle and diversity groups, it's easy to determine where in the process different groups are encountering issues. In the example, underperformance against expectations is graphed in red and yellow, prompting further investigation and correction.

<sup>11</sup> Gilmartin, S. Simard, C. Wullert, K (2019) *The Mistake Companies Make When They Use Data to Plan Diversity Efforts*. Harvard Business Review. [Available online.](#)

<sup>12</sup> Glassdoor (2014) *Two-thirds of People Consider Diversity Important When Deciding Where to Work*. Glassdoor. [Available online.](#)

<sup>13</sup> Zhang, K (2019) *To See More Women in Leadership Roles, Here's What Needs to Happen*. Entrepreneur Magazine. [Available online.](#)

<sup>14</sup> For more information, see: [www.affirmity.com/blog/how-to-use-data-improve-diversity-inclusion-program/](http://www.affirmity.com/blog/how-to-use-data-improve-diversity-inclusion-program/)

## 3 Incorporate Equity

Whether equity makes it into the names of our DE&I departments and products or not, it's a critical piece of the puzzle and a key contributor to the success of both diversity and inclusion<sup>15</sup>. Citing a World Economic Forum report, HRTechnologist.com notes that the road to achieving true gender parity is around 99.5 years long<sup>16</sup>. Until then, being able to prove you are an equitable employer (or are at least striving to be) will make you more attractive to prospective employees. It also aids retention when you can prove to employees that they're getting a fair deal.

The HR Technologist piece highlights examples of organizations already committing to equity:

- GoDaddy began to publicly share its gender pay data and took action to bring the pay of women in technical and management roles in line with their male counterparts.
- Starbucks has achieved 100% pay equity in both the US and UK.

- Salesforce adjusted the salary of 6% of its employees (the majority being women) at a cost of \$3 million USD to achieve pay parity.
- Medtronic has achieved 99% pay equity globally.

Meanwhile, unfair pay becomes progressively less attractive. ADP's 2019 Workforce View in Europe report found that 75% of Millennials would consider quitting their job if their employer was paying men and women unequally<sup>17</sup>. In addition to the 1963 Equal Pay Act and 1964 Civil Rights Act at Federal level, 42 states have equal pay laws<sup>18</sup>.

<sup>15</sup> For more details on cultivating fair pay in the workplace, see Affirmity's guide on the subject: [www.affirmity.com/resources/guide-cultivating-global-fair-pay-equity/](http://www.affirmity.com/resources/guide-cultivating-global-fair-pay-equity/)

<sup>16</sup> Basumallick, C (2020). *Is Equal Pay for Women a Dream? Not at Starbucks, Salesforce, GoDaddy, and Medtronic*. HR Technologist. [Available online](#).

<sup>17</sup> ADP (2019). *The 2019 Workforce View in Europe Report*. ADP. [Available online](#).

Up until relatively recently, these trends have meant little considering that it has been difficult—often contractually prohibited—for employees to gain any understanding of pay in their organization. However, with 67% of organizations saying transparency is increasing in importance in their organization, and 60% now having a least ‘moderate’ pay transparency<sup>19</sup>, employees increasingly have visibility on this information, or precedents to cite when suggesting that they should have such visibility.

Resisting this change may be ultimately futile: research suggests that nearly half of employees say they would happily seize transparency for themselves and share their salaries with their colleagues if the organization doesn’t do it first<sup>20</sup>. Organizations should also consider demonstrating equity beyond pay—equal access to sponsorship opportunities, resources, support, and benefits.

The benefit of this transparency isn’t just the opportunity to stay ahead of a trend. As the information becomes more freely available, organizations are able to get a clear idea of how competitors are compensating their employees. They can make more competitive offers, and potentially promote positive discrepancies. In one survey, 63% said that a company that discloses its gender pay gap figures each year was more attractive to work for<sup>21</sup>.

<sup>18</sup> McAnallen, K (2015). *The Current State of Equal Pay Laws*. National Conference of State Legislatures. [Available online.](#)

<sup>19</sup> Chaudhary, M (2020). *Pay Transparency 2020 Study Results Released by WorldatWork and Mercer*. HR Technologist. [Available online.](#)

<sup>20</sup><sup>21</sup> Jansen, T. (2019). *The Future of Gender Pay Equality Relies on Today’s Leaders*. HR Technologist. [Available online.](#)



## 4 Cultivate a Culturally Aware Climate

Companies must build an inclusive culture to retain the diverse talent that they have recruited: it also acts as a magnet for talent. Two critical aspects of a culturally aware climate are accounting for intersectionality and promoting allyship.

### Embrace Intersectionality

When considering diversity numbers above, we touched on accounting for intersectionality. This is the phenomenon where multiple forms of oppression have a negative effect on the working life of an individual. So it means, for example, that while a Black man makes \$0.74 and a White woman makes \$0.78 to a White man's dollar, a Black woman makes only \$0.64<sup>22</sup>.

The oppressions intersect rather than straightforwardly combine too: Black women can experience issues that neither White women nor Black men encounter. One CNBC article cites an "emotional tax" on Black

women, 58% of which are "always on guard to protect against bias, discrimination, and unfair treatment". It also quotes an author and entrepreneur who felt like she couldn't say anything about a routine of daily microaggressions "in fear of being labeled the stereotypical trope of the 'angry Black woman.'"<sup>23</sup>

In this way, treating "women" and "Black people" collectively in your DE&I program may end up missing issues that are only experienced by those who are women and Black. Accordingly, a DE&I program should incorporate all aspects of identity individually as well as holistically, so that intersectionality is fully covered.

There are, of course, many attributes that you may want to consider: not just gender and race, but sexuality, religion, socio-economic class, veteran status, and others. Robust data capture and reporting tools are required in order to make this task manageable.

Nonetheless, employees are more likely to be attracted to your organization by your diversity efforts if you can demonstrate that they are nuanced and unafraid of acknowledging difference.

### Encouraging Allyship

Allies in the workplace should be encouraged at all levels of management. Managers have direct responsibility for recruiting, retaining, and promoting employees, so they are the natural starting point of allyship for diverse employees. Your DE&I program therefore needs to enable these managers (and any other willing employees) to gain appropriate knowledge and skills that will help them support and advocate for these employees.

<sup>22</sup> YW Boston (2017). *What is intersectionality, and what does it have to do with me?* YW Boston Blog. [Available online.](#)

<sup>23</sup> Connley, C (2020). *How corporate America's diversity initiatives continue to fail Black women.* CNBC. [Available online.](#)

Some attributes of good allyship (as suggested by Isla Govan's account on diversity best practices for creating an anti-racist white caucus<sup>24</sup>) that your program should aim to cultivate in employees include:

- **Relieving the burden of education:** While members of any given group may be happy to educate others about the issues they and others in their group face, it's not their job to do so. Good allies will seek out the—often plentiful—existing literature about these issues in order to educate themselves about the issues.
- **Participating, not dictating or replacing:** Allies may naturally feel a certain amount of guilt when discussing historical or contemporary wrongs. This can sometimes tip over into “feeling sorry” for the group and viewing them as less fortunate and can lead to people who are nominally allies speaking for or acting on behalf of a group instead of in partnership with them.
- **Being open to feedback:** Good allies are allowed to make mistakes. When they do slip up, they don't point to their track record and get defensive (saying “That's not what I meant” or “It was just a joke”). They are open to feedback and will take an opportunity to learn from the correction.

<sup>24</sup> Govan, I (2019). *Five Ways an Anti-Racist White Caucus Supports Diversity and Inclusion*. Diversity Best Practices. [Available online](#).

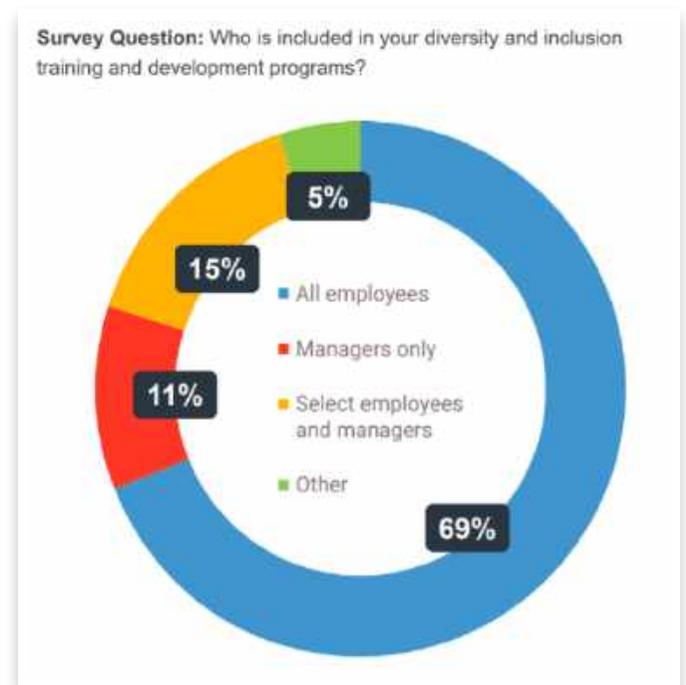


## 5 Learn an Inclusive Language

Finally, the long process of relating your message on DE&I to your employees begins with training. Your training should cover topics such as unconscious bias, microaggressions, as well as the basic principles of diversity, equity, inclusion, and respect.

You will need to deliver this training in a way that emphasizes that the principles are not simply academic or theoretical. Including real-world examples during your sessions is key to this approach—you can then have critical conversations to understand lived experiences and how those experiences impact an employee in the organization.

We recommend making this training as widely accessible as possible. The graph on this page, reproduced from the HR Research Institute's *The State of Diversity and Inclusion 2019* report<sup>25</sup> illustrates that the majority of businesses already conduct company-wide training. Some organizations attempt a more limited roll-out—the idea perhaps being that managers and advocates can be trained at lower cost and DE&I knowledge will trickle down. However, as the report suggests, some organizations find that “managers are not comprehensively sharing what they learn with employees because they are not comfortable, they are too busy, or are not interested”.



<sup>25</sup> HR Research Institute (2019). *The State of Diversity and Inclusion 2019*. HR Research Institute. [Available online.](#)

It is in the interest of organizations of all sizes to find training strategies that deliver a competitive advantage that grows over time. Ensuring your entry-level employees are also trained in aspects of DE&I and any other critical skill is one such strategy. Giving these employees access to methods such as self-guided online learning, on-the-job coaching, and virtual training is potentially more engaging, while better serving the needs of the workforce and keeping costs down.

Furthermore, these employees will take cultural knowledge as they move up the corporate ladder, and vacate a position that is more easily filled from an HR perspective. Because DE&I-focused programs evolve the company in a positive way culturally, they're more likely to retain the talent they've trained. Exclusion has a higher cost—talent attracted away by fairer offers is expensive to repeatedly replace.

Just as with any language, the process of learning is ongoing and the language itself evolves as it is used. Systems that have been established in your organization should be periodically reviewed to identify any inequalities. Listen to and learn from the diverse employee groups you have cultivated to improve and evolve.



# Conclusion: How Affirmity Can Help

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The five key strategies described above can be applied and adjusted for an organization of any size. This can be managed internally, but all aspects benefit from an outside perspective and expertise, and the data burden can be significantly reduced with software and outsourced services. Affirmity's suite of plans, reports, scorecards, and dashboards can provide reporting consistency, efficiency, and visibility at all levels of your organization.

Our full software and services lineup includes solutions for Affirmative Action planning, diversity metrics and consulting, workforce analytics, ERG management, training, good faith efforts/positive outreach, EEO-1, VETS-4212 and more. These solutions can be delivered as software and/or as outsourced services.

For more, [get in touch today.](#)

## About Affirmity

Affirmity provides expert analysis, consulting, training, and software to optimize affirmative action and diversity and inclusion programs. Our team of experts delivers diversity metrics and data-driven insights to manage and mitigate risk. Drawing on more than 40 years of experience, we guide HR and compliance teams through diversity goal setting. Affirmity empowers leaders with tools and dashboards to measure progress, and we help clients capture and communicate the positive business impacts of diversity initiatives.

A part of [Learning Technologies Group plc \(LTG\)](#), Affirmity serves more than 1,100 organizations—including global corporations, mid-sized organizations, and small businesses.

For more, visit [affirmity.com](#).