





The Future of Diversity, Equity, Inclusion and Belonging 2023



Maintain the momentum of DEIB during times of uncertainty



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About the Survey

The Future of Diversity, Equity, Inclusion and Belonging survey ran from December 2022 to February 2023. We gathered 255 complete and partial responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them reside in North America, especially the United States.

The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 100 employees to enterprises with 20,000+ employees. Onefourth of responses were from organizations with over 1000 employees.

Executive Summary

In light of recent social justice movements, corporations have responded by making bold statements and pledging money and efforts towards diversity, equity, inclusion and belonging (DEIB).^{1,2} For all the talk surrounding DEIB, there are only six Black CEOs leading Fortune 500 companies. This is just 1% of businesses in 2022.3 Our results show that one-third of businesses say women represent 20% or less of their top leadership, and 7 in 10 businesses say the same about racial/ethnic minorities. This lack of representation is just one of the more visible outcomes of poor DEIB in organizations.

Real change toward equity requires more than just diversity programs. It often requires a paradigm shift in the way businesses are run and deep cultural change that can be extremely challenging to achieve. Recent 'anti-woke' movements only confirm that progress on DEIB is not without challenges and getting everyone on board may be easier said than done. 4 The objective for DEIB has to shift from just improving representation of equity deserving groups to creating environments where all employees thrive rather than just survive.

Further, with growing mobility of people across the globe, DEIB must be viewed through a different lens depending on varying cultural contexts. While the civil rights movement drives North American DEIB efforts and is largely focused on race and gender, in India, for instance, issues of social hierarchy through the caste system are important to consider and may affect workplace dynamics in the U.S., thousands of miles away from the origin of these differences.5

Singh, S. J., & Shyamsunder, A. (2022, December 8). Bringing caste into the DEI conversation. Harvard Business Review. Retrieved from https://hbr.org/2022/12/bringing-caste-into-the-dei-conversation



Ben & Jerry's. Silence is not an option. Retrieved from https://www.benjerry.com/about-us/media-center/dismantle-white-supremacy

Barrabi, T. (2020, June 5). Nike pledges \$40 million to support black community after George Floyd's death. Fox Business. Retrieved from https://www.foxbusiness.com/retail/nike-pledges-40-million-support-black-community

Giacomazzo, B. (2022, May 30). The fortune 500 list has a 'record number' of black CEOs - but there's still only 6 of them. AfroTech. Retrieved from https://afrotech.com/fortune-500-black-ceos

Harriot, M. (2022, December 21). War on wokeness: The year the right rallied around a made-up menace. The Guardian. Retrieved from https://www.thequardian.com/us-news/2022/dec/20/anti-woke-race-america-history



To understand the complex topic of DEIB, this research report investigates the following topics:

- the DEIB landscape, including program maturity levels and equitable pay
- the extent to which key DEIB initiatives are developed and their perceived level of effectiveness
- how much time organizations spend on DEIB initiatives and the extent to which they are funded and supported
- how employers' use of training, incentives, communication practices, and metrics relate to DEIB
- the practices that seem most closely associated with DEIB success

Please note that the findings and recommendations contained in this report are informational only. Nothing in this report should be construed as constituting legal opinions or advice. Please consult an attorney if you have questions about the legal requirements, rules or regulations associated with any content discussed in this report.

Major Findings:



DEIB in most organizations is immature and initiatives are seen as ineffective.

- More than half (52%) rate the DEIB initiatives in their organizations as ineffective (that is, 4 or below on a 10-point scale).
- Few (6%) rate their DEIB initiatives as effective (8 or above on the same 10-point scale).
- Only 15% say DEIB in their organizations are at the expert or advanced stage on the HR Research Institute's DEIB maturity model.
- About half say DEIB is only at the beginning (31%) or undeveloped (17%) stage on the same maturity model.
- One-third say women represent 20% or less of their top leadership in their organization and 73% say the same about ethnic/racial minorities in top leadership positions.
- Despite this, just two-fifths of organizations have one or more leadership development initiatives focused on or designed for improving DEIB in leadership and 30% have a mandate to increase diversity in leadership roles.





While HR is responsible for DEIB in the majority of organizations, two-thirds spend just 20% or less of their average workweek on DEIB-related work.

- In over half of organizations, the primary responsibility for DEIB issues, programs and/or policies falls on HR in some way:
 - ▶ HR department as a whole (25%)
 - Specific team or person within the HR department (21%)
 - Chief HR officer (7%)
- In just a quarter of organizations, the responsibility falls on the DEIB department (12%) or Chief of DEIB (14%). However, about onethird of organizations do not have a DEIB department, function or representative.
- Two-thirds of organizations say 20% or less of their HR department's average workweek is devoted to DEIB issues, programs and/or policies.



Organizations aim to build a culture of trust through DEIB initiatives but are hampered by lack of time and leadership support.

- Apart from increasing DEIB, the primary goals of DEIB initiatives are to:
 - build a culture of trust (67%)
 - remove bias (65%)
 - be able to recruit the right talent (65%)
 - be able to retain the right talent (65%)
 - ensure fairness (64%)
 - boost engagement (62%)
- The top barriers to increasing the effectiveness of DEIB initiatives are:
 - insufficient prioritization at top leadership levels (44%)
 - lack of metrics to identify insufficient DEIB (44%)
 - lack of time (43%)
 - inadequate training (40%)





Organizations increasingly rely on basic workforce data to measure the current state of DEIB.

- Eighty percent of organizations measure DEIB in some way.
- The most common characteristics of a diverse, equitable and inclusive workforce that organizations consider and track are:
 - race/ethnicity (75%)
 - age (66%)
 - gender identity (60%)
- The most commonly used metrics to measure the current state of DEIB are:
 - basic workforce data (55%)
 - engagement/satisfaction levels (44%)
 - employee retention (44%)
 - diversity within leadership ranks (44%)



Roughly half of organizations are actively invested in understanding pay equity.

- Just over half of organizations are actively invested in understanding the pay equity gap in their business/industry to a high or very high extent (54%).
- Most organizations measure pay gaps and pay equity through comparisons of pay among comparable jobs (81%) or comparison within pay bands (79%).
- Just 9% say equitable pay is the top priority among executives. However, a further 32% say it is among the top five priorities.



Under two-fifths of organizations offer DEIB-related L&D programs to all employees.

- One-quarter of organizations have no DEIB-related L&D programs.
- About two-fifths (38%), however, offer DEIB-related L&D programs to all employees. Among these organizations the most common DEIBrelated L&D programs are:
 - unconscious bias training (70%)
 - inclusion awareness training (58%)
 - performance management training (50%)





Organizations use specific DEIB initiatives infrequently and rely on benefits to incentivize equity deserving groups.

- Few use specific DEIB initiatives to a high or very high degree. The most commonly cited ones are:
 - stress DEIB in the talent acquisition process (25%)
 - consistently communicate the importance of DEIB throughout the organization (23%)
 - ▶ include DEIB-related training during onboarding (22%)
- Over half of respondents agree or strongly agree that:
 - ▶ DEIB initiatives enhance mission, vision and values (57%)
 - corporate culture is more inclusive than it was two years ago (55%)
 - ▶ DEIB initiatives improve compliance with existing laws (53%)
 - the workforce is more diverse than it was two years ago (51%)
- More than half of organizations offer the following benefits/work arrangements to make it easier for diverse employees to work there:
 - paid time off (82%)
 - remote work options (78%)
 - flexible work options (69%)
 - paid parental leave (60%)



DEIB leaders outperform laggards on several dimensions of prioritizing, measuring and implementing DEIB.

- DEIB leaders are significantly more likely than laggards to:
 - rate the effectiveness of their DEIB initiatives as 7 or above on a 10-point scale
 - use all DEIB related metrics to a higher extent
 - be actively invested in understanding the pay equity gap in their business/industry
 - offer DEIB-related L&D to all employees
 - offer all DEIB-related initiatives to a higher extent
 - > say that DEIB initiatives enhance organizational performance, enhance mission, vision and values and play a role in strategic planning
 - have better representation of women and racial/ethnic minorities in top leadership positions
 - have one or more leadership development initiatives for improving DEIB in leadership
 - say pay equity is the top priority for executives



Has DEIB Made Progress Over the Last Year?



Finding: A handful of organizations rate their DEIB initiatives as highly effective

We asked respondents to rate the effectiveness of DEIB initiatives in their organizations on a 10-point scale from perfectly effective (10) to extremely ineffective (1). Just 6% rate themselves an 8 or above and an overwhelming majority (86%) rate themselves a 6 or below. In fact, more than half (52%) rate themselves very poorly (4 or below).

There has not been much progress in this area when compared to last year's results on the same topic.6 This indicates that there is much to be improved with regard to DEIB initiatives in organizations today.

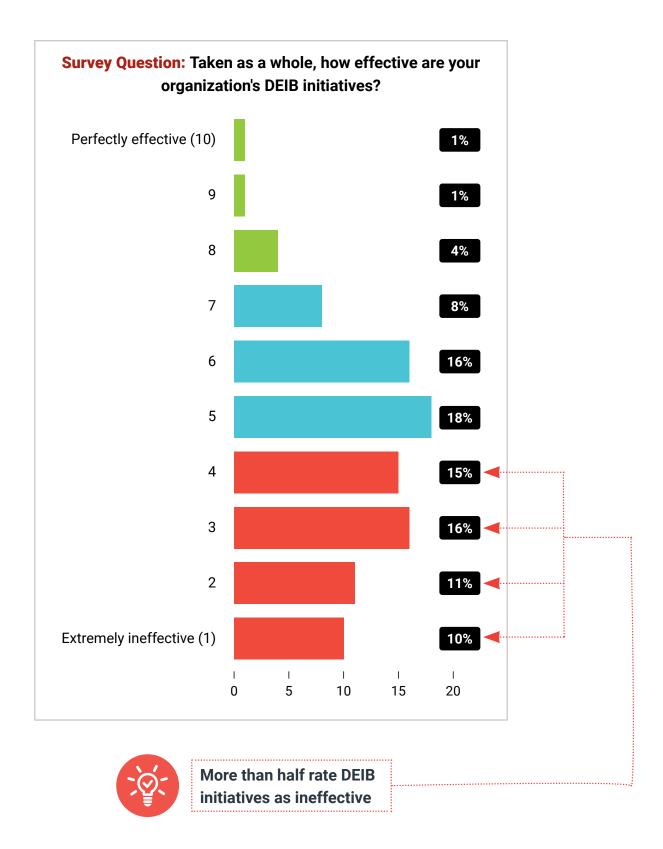
Further, these results beg the question of whether organizations actually know if their initiatives are effective or not? Knowing the effectiveness of DEIB initiatives requires comprehensive measurement and metrics and, as we'll see in the following sections, many organizations are not at this stage of maturity with regards to their DEIB function.

Defining DEIB

For the purpose of this survey, we define diversity, equity, inclusion and belonging (DEIB) initiatives as those relating to the presence of underrepresented groups (e.g., in terms of ethnicity, gender, sexual orientation, disability and more) in organizations, how valued and welcomed underrepresented groups feel in those organizations, and the degree to which these groups enjoy equal opportunities, including but not limited to equitable pay.

HR.com's HR Research Institute. (2022, October). The Future of Diversity, Equity and Inclusion 2022. Retrieved from https://www.hr.com/en/ resources/free_research_white_papers/the-future-of-diversity-equity-and-inclusion-resea_l0wk79fe.html









Finding: DEIB in the vast majority of organizations lacks maturity and is at the intermediate level at best

The poor effectiveness of DEIB initiatives can be tied back to the lack of maturity of the DEIB function in organizations today. Just 6% say DEIB in their organization is at the expert level where it is an integral part of the culture and intrinsically linked to strategic goals of the organization. Just one in ten organizations say they are at the advanced stage where they have a strategic framework and utilize metrics. This is half of the proportion of organizations that placed themselves at the advanced stage last year (18%). The dismal number of organizations at higher levels of DEIB maturity is worrisome although it indicates some degree of self-awareness.

More than a third place themselves at the intermediate stage which means they have some DEIB initiatives, but they lack strategic importance and there is no measurement of success. Most concerning is that almost half of organizations say DEIB in their organization is at the undeveloped or beginning stage, which means DEIB in these organizations is mostly about compliance and rarely has any strategic linkages.

A lack of strategic importance of DEIB is likely to curb investments in the form of time and money and this will have a negative impact on effectiveness. DEIB has benefits in the form of learning, innovation, creativity, flexibility, higher-quality work, better decision-making, and greater team satisfaction that far exceed mere financial gains. Organizations that fail to improve DEIB in their organization can face serious threats to their competitive advantage.7

Ely, R. J., & Thomas, D. A. (2021, August 27). Getting serious about diversity: Enough already with the business case. Harvard Business Review. $Retrieved\ from\ https://hbr.org/2020/11/getting-serious-about-diversity-enough-already-with-the-business-case$



Defining DEIB maturity stages



Undeveloped

Little or nothing has been done to increase DEIB or integrate DEIB goals with organizational goals. To the extent that there is a focus, it is on compliance only.



Beginning

We try to maintain compliance but have made a few efforts at DEIB and are thinking about how DEIB helps to position our organization in the marketplace.



Intermediate

We have deployed several different DEIB initiatives piecemeal. It is viewed as moderately important, but we do not spend a lot of time measuring success.



Advanced

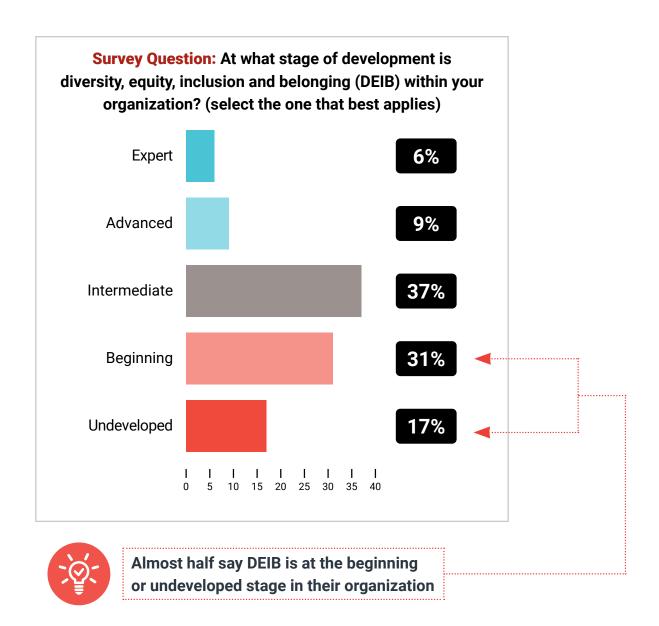
We have a strategic framework that has multiple pillars aligned with the organizational goals. Our DEIB efforts include metrics and setting annual goals for improvement, and we closely follow DEIB at leadership levels.



Expert

DEIB is embedded in our culture and our CEO and Board members make it a priority. Ownership of DEIB initiatives is at the senior leadership level. We use analytics to address recruiting, succession planning and other talent-related issues, and our managers are assessed based on DEIB goals. DEIB initiatives are strategic and contribute to the achievement of organizational goals.







Are Women and Ethnic/Racial Minorities Represented at Leadership Levels?



Finding: One-third say women represent less than 20% of top leadership in their organization

A straightforward estimate of the effectiveness of DEIB in organizations is to check the representation of equity deserving groups at all levels of the organization. While women and other underrepresented groups are often better represented at the lower levels, this trend rarely continues to the top of organizations. Our results indicate that women represent less than 20% of top leadership in one-third of organizations, and another guarter say women represent just 21% to 40% of top leadership.

Just one-fifth of organizations are women dominated, with women representing 61% or more of top leadership. While this raises questions about the effectiveness of DEIB initiatives in organizations, it must be kept in mind that change takes time, and years of underrepresentation would take significant time to remedy.

Differences based on size of organization

Small organizations are more likely to have women leaders with 30% saying more than 60% of their top leaders are women compared to just 24% of mid-sized and just 17% of large organizations.

Defining Small, Mid-sized and Large Organizations

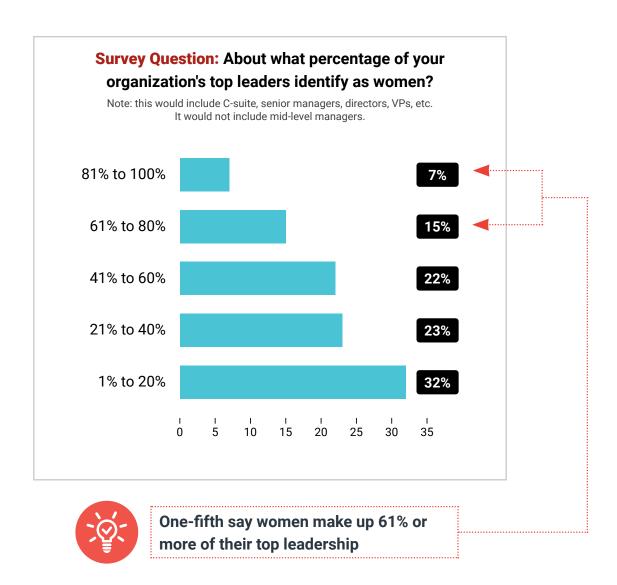






For the purpose of this report, large organizations have 1,000 or more employees, mid-sized organizations have 100 to 999 employees, and small organizations have 99 or fewer employees.









Finding: 7 in 10 organizations say less than 20% of their top leaders are ethnic/racial minorities

The underrepresentation of women is overshadowed by the dismal proportion of racial/ethnic minorities in top leadership positions. A vast majority (73%) say not even 21% of their top leaders are ethnic/racial minorities. In fact, just 13% say ethnic/racial minorities represent 41% or more of their top leadership.

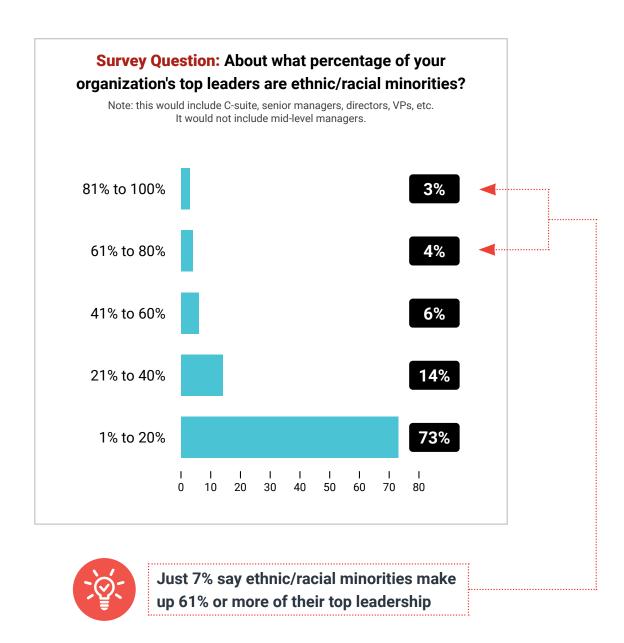
People belonging to ethnic/racial minorities can face a myriad of challenges at work. From microaggressions to unrealistic standards of performance, equity deserving groups often have to jump through hoops to get the accomplishments they deserve. Why does this matter to organizations? Research shows that minority leaders inspire minority employees to aim for higher positions and enable them to feel psychologically empowered and more confident at work, thereby helping organizations achieve better results.8

Differences based on size of organization

Small organizations are more likely to have ethnic/racial minority leaders with 18% saying more than 60% of their top leadership are ethnic/ racial minorities compared to just 8% of mid-sized and 7% of large organizations.

Salter, N. (2019, February 27). The importance of minority leader representation: Lead read Today. Fisher College of Business. Retrieved from https://fisher.osu.edu/blogs/leadreadtoday/blog/the-importance-of-minority-leader-representation







Should HR be Solely in Charge of DEIB?



Finding: HR is primarily responsible for DEIB in about half of organizations

HR plays quite a pivotal role in DEIB in many organizations. In about half of organizations, the HR department as a whole (25%) or a specific team or person within the HR department (21%) is primarily responsible for DEIB issues, programs and/or policies. However, in about a quarter of organizations, the responsibility falls on the DEIB function, either the Chief of DEIB (14%) or the DEIB department (12%).

Though HR regularly takes responsibility for DEIB, it's worth interrogating whether the average HR professional has the expertise to do DEIB work. DEIB requires skillsets separate from other HR functions and organizations may be operating with reduced capabilities by clubbing DEIB with HR.9

Differences based on size of organization

Large organizations are more likely to hold the Chief of DEIB as responsible for DEIB when compared to mid-sized and smaller organizations who are more likely to place the responsibility on the HR department as a whole.

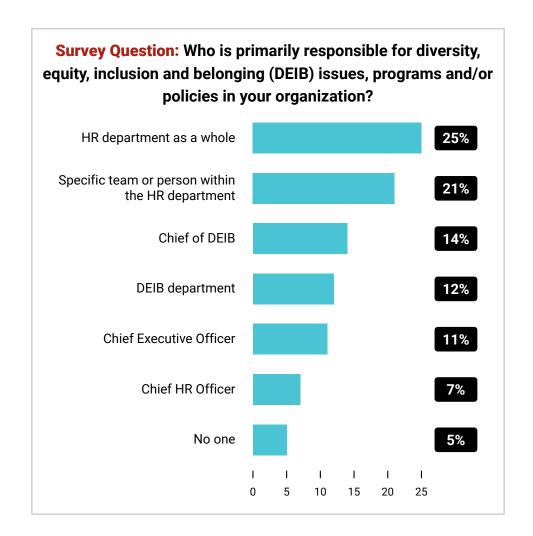


I think that there is an issue with diversity and inclusion being housed in just HR, since it seems people are expecting HR alone to solve all diversity and inclusion issues. Right now, a lot of companies are still relying heavily on individual contributors to do DEI versus making it a company strategy. I think that that's where there is a disconnect where people think that it's only HR's responsibility, but it should be the responsibility of everyone.

~ Leandra Stanley, Director, Diversity & Inclusion Programs at Comscore

Kiner, M. (2021, July 7). Council Post: Why DEI proficiency is the new must-have HR skill set. Forbes. Retrieved from https://www.forbes.com/sites/ forbeshumanresourcescouncil/2021/07/07/why-dei-proficiency-is-the-new-must-have-hr-skill-set/?sh=5e3bcb32ac3a







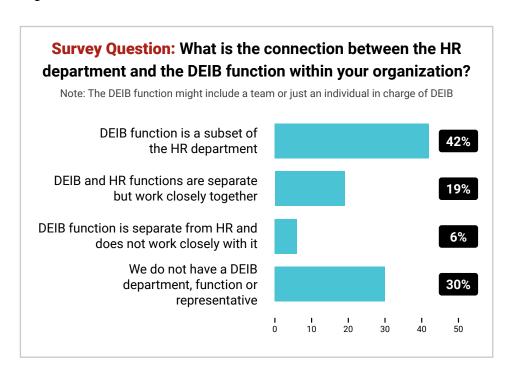


Finding: About one-third of organizations do not have a DEIB department, function or representative

When asked about the connection between HR and the DEIB function, a third say there is no DEIB department, function or representative in their organization. This means that DEIB is either non-existent or is taken on as an additional responsibility by HR professionals. As discussed earlier, this may not be the most optimal way of addressing DEIB issues. While DEIB requires specialized expertise, they must work closely with HR to be fully integrated with the operations of the organization. However, 6% say their DEIB department is separate and stands alone from HR. In a plurality of cases (42%), DEIB is a subset of the HR department and in another one-fifth of organizations (19%), DEIB is a separate function but functions closely with HR.

Differences based on size of organization

Almost half of small organizations do not have a DEIB department (49%) compared to two-fifths of mid-sized (39%) and 16% of large organizations.



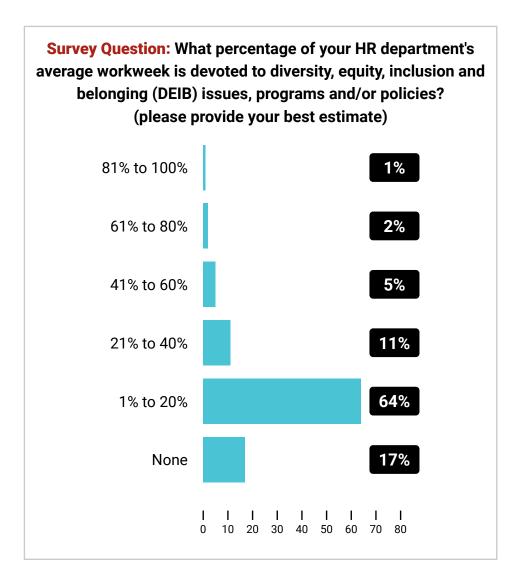




Finding: Most HR departments spend little time on DEIB issues, programs and/or policies

While about two-fifths say DEIB is an HR responsibility, little time is actually spent on DEIB issues. Just 8% say HR spends 41% or more of their average workweek on DEIB issues. In fact, about two-thirds (64%) say DEIB issues, programs and/or policies take up 20% or less of HR's average workweek.

This is an indication of the strategic importance of DEIB. Considering the complex nature of DEIB and the multifaceted approach required to deal with DEIB issues, this amount of time seems hardly enough to be devoting to DEIB issues.





How Do Organizations Design and **Implement DEIB initiatives?**

DEIB initiatives are a critical component of an organization's DEIB strategy. However, many organizations view their DEIB initiatives as ineffective. What goals drive these initiatives and what prevents them from being effective?



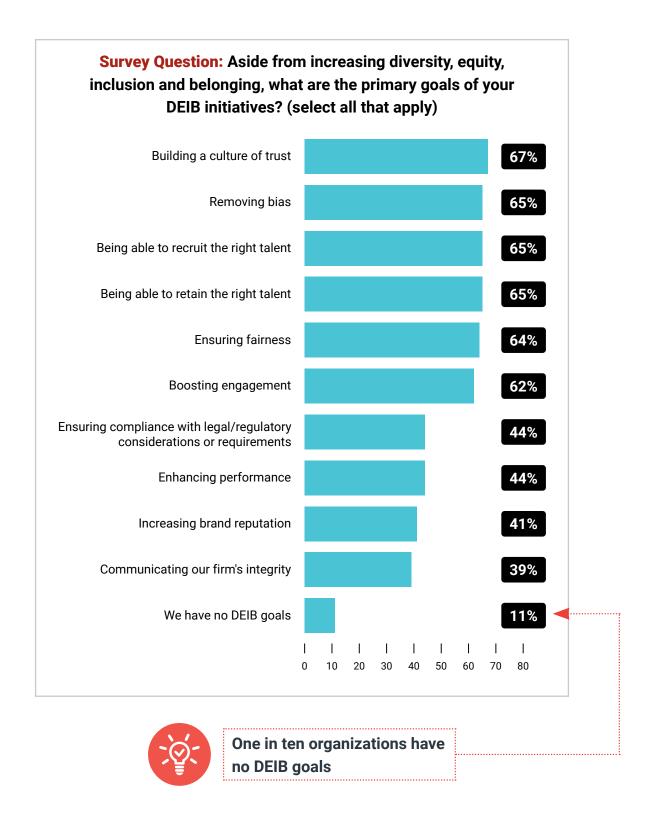
Finding: Two-thirds of organizations aim to build a culture of trust through DEIB initiatives

Apart from increasing diversity, equity, inclusion and belonging, organizations aim to achieve a number of goals through DEIB initiatives. Roughly two-thirds of organizations aim to:

- build a culture of trust (67%)
- remove bias (65%)
- recruit the right talent (65%)
- retain the right talent (65%)
- ensure fairness (64%)
- boost engagement (62%)











Finding: Insufficient prioritization at top leadership levels is the top barrier to effectiveness of DEIB initiatives

As seen earlier, most HR departments spend only a small proportion of their working time on DEIB issues. In fact, 43% say a lack of time is a barrier to increasing the effectiveness of DEIB initiatives. Another top barrier is lack of metrics to identify insufficient DEIB (44%) which is linked to the other top barrier: insufficient prioritization at top leadership levels (44%).

Without buy-in from top management, DEIB initiatives lack strategic focus and required support. In fact, over a third of organizations say DEIB initiatives lack budget (36%), lack a leader to oversee/champion initiatives (32%) and that there is inadequate training (40%).

Metrics can help get leadership support by demonstrating how crucial DEIB is to business success. This can also help improve barriers related to lack of understanding of the potential benefits of DEIB (37%).

Differences based on size of organization

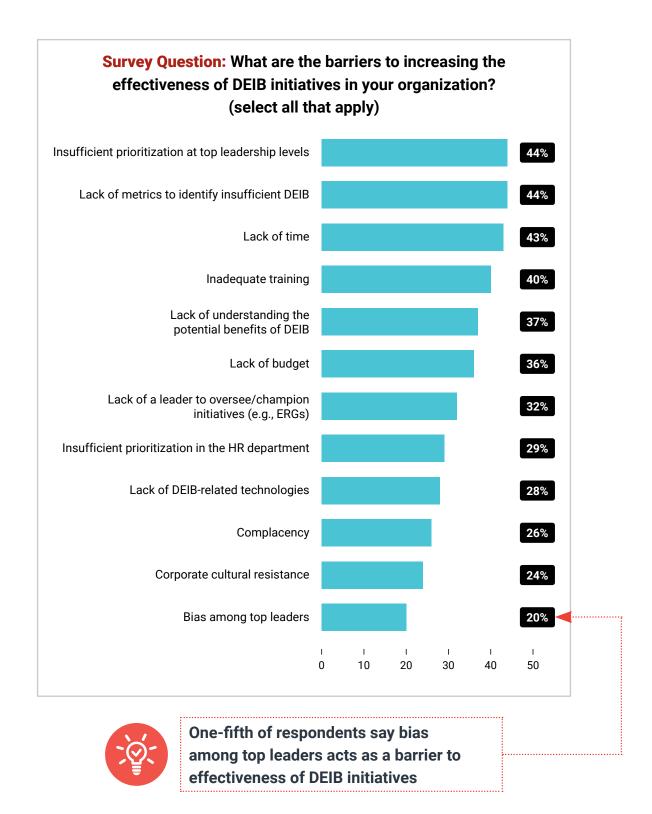
Large organizations are most likely to cite insufficient prioritization at top leadership as a barrier to effectiveness of DEIB initiatives. Mid-sized and smaller organizations cite lack of time as the most influential barrier.



DEIB starts at the top. Leadership needs to determine why it is that this is important to the company, and then really stand behind that, and be held accountable, and make sure that everyone at every level, from the delivery driver to the receptionist to the Director of Content, really understands the role that DEIB plays within the company.

~ TaChelle Lawson, President & DEI Consultant at FIG Strategy & Consulting







Is DEIB Today All Talk and No Action?

What practices do organizations engage in while trying to improve DEIB? Practices that help foster DEIB include specific initiatives that improve DEIB, tying the strategy of the organization to DEIB, building a culture where all people can thrive while promoting and incentivizing DEIB work. We delve deeper into the extent to which organizations today engage in practices that help support DEIB.



Finding: Just over one-fifth of organizations consistently communicate the importance of DEIB throughout the organization

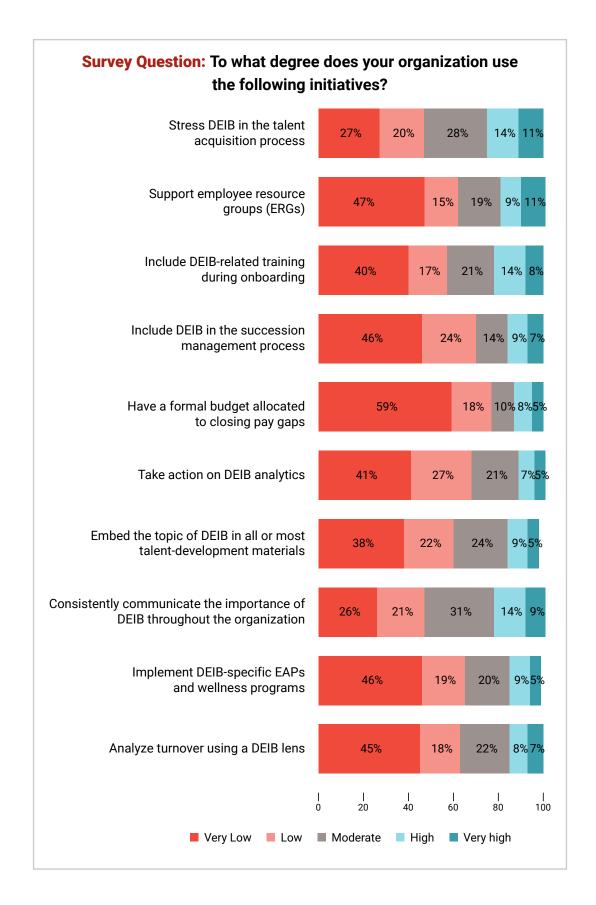
When asked to rate the degree to which organizations engage in specific initiatives to support DEIB, we found that few engage in these initiatives to a high or very high degree. In fact, results indicate that a majority of organizations engage in these initiatives to a low or very low degree.

Roughly a quarter stress DEIB in the talent acquisition process (25%), consistently communicate the importance of DEIB throughout the organization (23%) or include DEIB-related training during onboarding (22%) to a high or very high degree.

Even fewer say they are embedding the topic of DEIB in all or most talentdevelopment materials (12%), have a formal budget allocated to closing pay gaps (13%) or take action on DEIB analytics (12%).

DEIB-related initiatives are complex to implement and involve multiple stakeholders. While these may act as barriers, organizations should take better efforts to implement these initiatives. The key to improving the focus on these initiatives is to view DEIB as a strategically important initiative.









Finding: Half believe DEIB initiatives enhance organizational performance

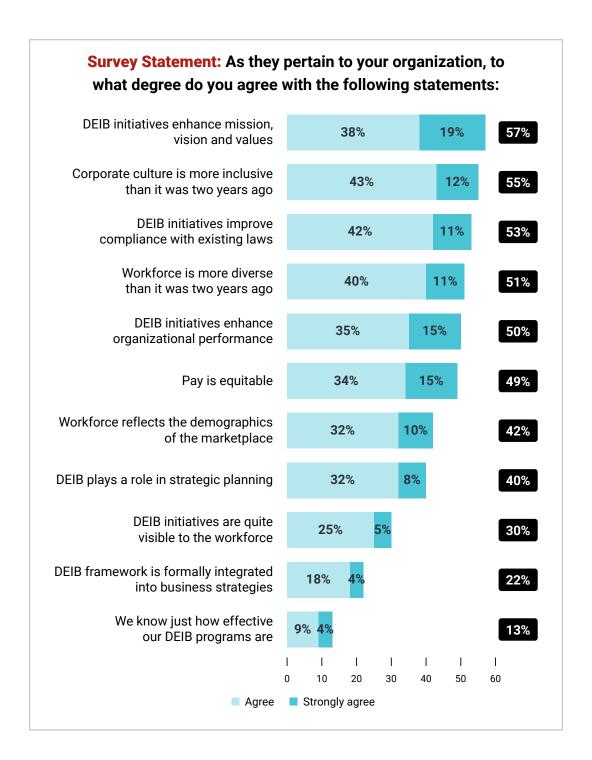
We asked respondents the degree to which they agree with several statements regarding the role of DEIB in their organization, outcomes of DEIB initiatives, and how strategically integrated DEIB is with the running of the organization. Results indicate that just half of organizations agree or strongly agree that DEIB initiatives enhance mission, vision and values (57%), corporate culture is more inclusive than it was two years ago (55%), DEIB initiatives improve compliance with existing laws (53%) and the workforce is more diverse than it was two years ago (51%).

Fewer, however, agree or strongly agree that the DEIB framework is formally integrated into business strategies (22%) or that they know just how effective their DEIB programs are (13%).

Unless organizations view DEIB as strategically important and make it a corporate priority, DEIB initiatives are unlikely to receive the necessary resources, time or attention it requires to succeed. DEIB initiatives cannot be run as a standalone system for mere compliance purposes. It needs to be ingrained into the very fabric of the corporate culture and made an integral part of all organizational operations. This requires a significant shift in the way things are run today.











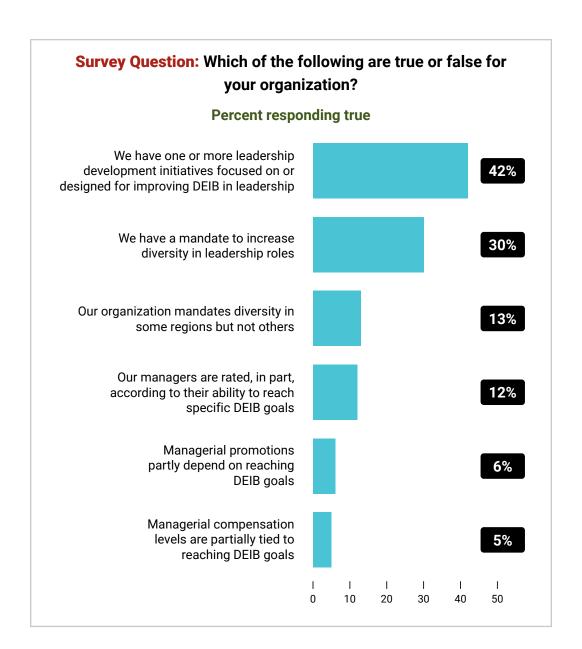
Finding: Under one-third of organizations have a mandate to increase diversity in leadership roles

To further investigate specific actions that organizations have undertaken to make DEIB a strategic priority, we asked respondents if the listed statements hold true. Results show that while there is some effort to improve representation at the top levels, managers are not encouraged in any way to take an active part in DEIB. This is 'tokenism' since a diverse top leadership team can project an image of a diverse organization, but unless all levels are involved in building an inclusive culture, no real change can happen.

About two-fifths of organizations have one or more leadership development initiative focused on or designed for improving DEIB in leadership (42%) and under a third have a mandate to increase diversity in leadership roles (30%). Further, just one in ten say managers in their organizations are rated based on their ability to reach DEIB goals. Even fewer tie manager promotions (6%) and compensation (5%) to DEIB goals.











Finding: Most organizations offer paid time off and remote work options to make it easier for diverse employees to work there

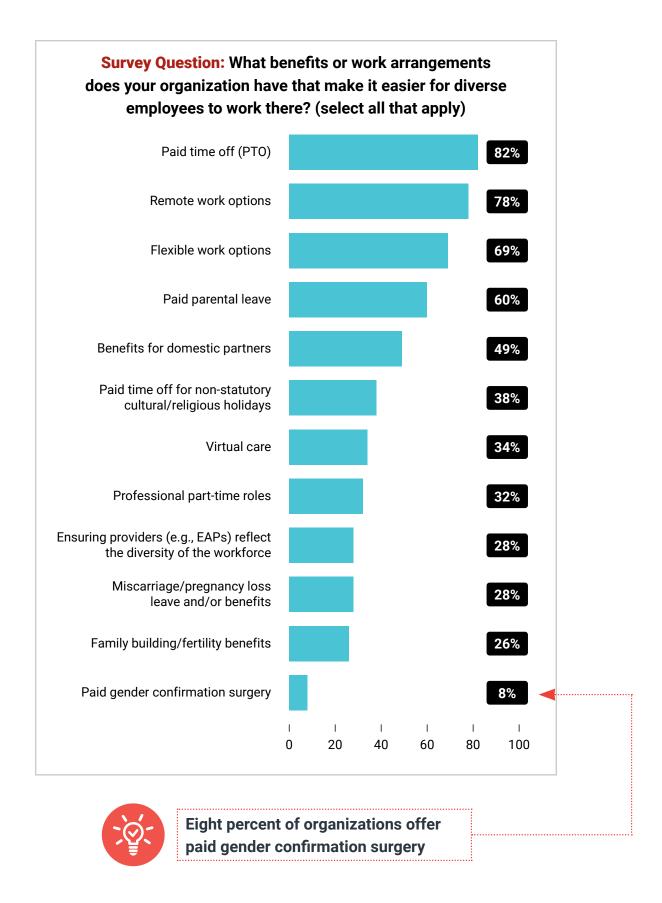
Despite challenges that organizations face with integrating DEIB within their corporate culture and making it a strategic priority, an encouraging number of organizations offer a variety of benefits to help diverse employees. However, when seen in the light of other results, this brings into question if some of these benefits are offered to all employees as a way to hire and retain good talent in general or if these benefits were designed specifically to help improve DEIB.

Most organizations offer paid time off (PTO) (82%) and remote work options (78%). These benefits are likely to help caregivers, who are in most cases, women.¹⁰ Remote work options can open up the candidate pool; this can include candidates with disabilities who may not be able to commute to an on-site location. Relatedly, about 69% of organizations offer flexible work options and 60% offer paid parental leave.



Family Caregiver Alliance. (2016). Caregiver statistics: demographics. Retrieved from https://www.caregiver.org/resource/caregiver-statisticsdemographics/







How Well Are Organizations Measuring DEIB?

Metrics help demonstrate the effectiveness of DEIB initiatives and allow organizations to benchmark progress in DEIB goals. However, a lack of metrics is cited as a major barrier to the effectiveness of initiatives. What approaches are organizations taking to measure DEIB?



Finding: Three-fourths of organizations consider and track race/ethnicity while measuring a diverse, equitable and inclusive workforce

Diversity can take on many forms. Most organizations consider and track race/ethnicity (75%), age (66%) and gender identity (60%). Over twofifths also consider and track veteran/military status (48%) and visible disabilities (41%). About a third consider and track sexual orientation (37%) and disabilities that are not apparent (28%), while fewer consider and track mental health (15%).

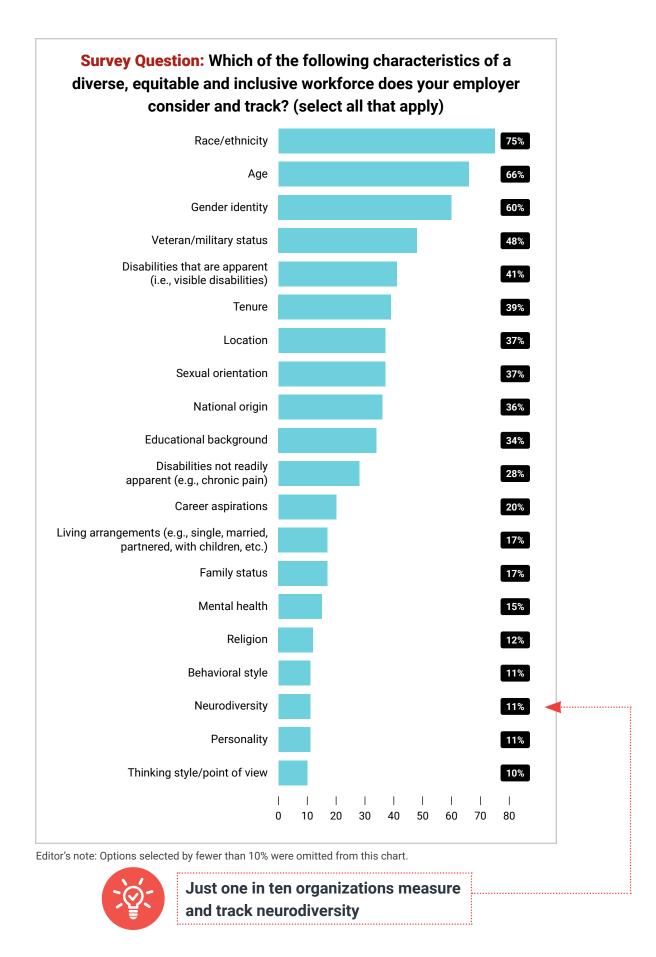
While it is important for organizations to consider these important representations of their employee group, tracking and measuring these characteristics may be complicated by legalities and may often rely on self-disclosure by employees. This can be remedied by creating a culture where employees feel free to be themselves, thereby allowing them to disclose characteristics without fear of retribution.



It is challenging to track things like mental health that has to be self reported. If nobody is reporting that, how can you track it?

~ Lenna Turner, Director of Diversity, Equity and Inclusion at Salary.com









Finding: Over half of organizations rely on basic workforce data to measure the current state of DEIB

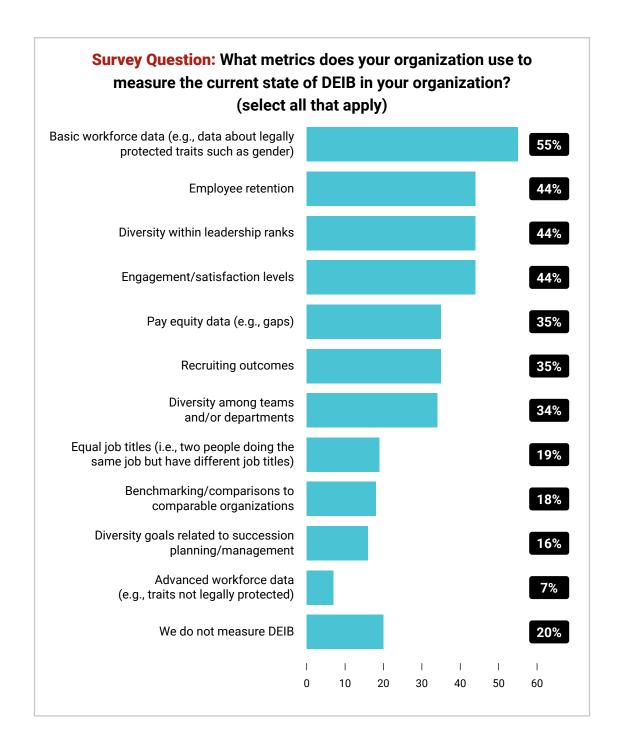
A majority of organizations engage in some measurement of the current state of DEIB with most (55%) measuring the current state of DEIB using just basic workforce data. However, 20% of organizations do not engage in any measurement of the current state of DEIB in their organization. This leads us to question if they are even able to comply with laws surrounding DEIB without basic measurement.

While basic workforce data helps in ascertaining representation, it is just a starting point for DEIB. Successful DEIB in organizations allows all employees the opportunity to be successful and happy at the workplace. This requires measurements of engagement/satisfaction levels (44%), retention (44%) and diversity within leadership ranks (44%).

Despite an increased focus on pay equity and laws surrounding these issues, only 35% of organizations measure pay equity data.









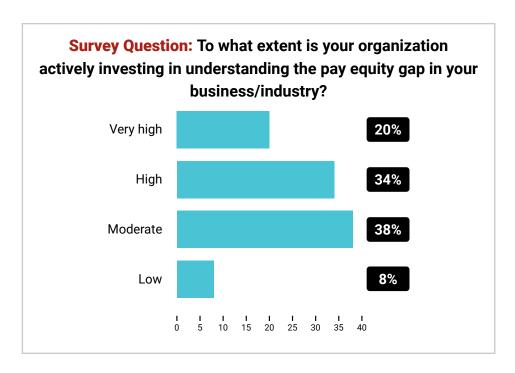
Do Organizations Understand and **Prioritize Equitable Pay?**

Equitable pay has become a widely talked about issue recently with new legislation surrounding pay transparency causing some organizations to scramble to become compliant. 11, 12 While it is crucial to creating an equitable atmosphere at work, how do organizations prioritize pay equity beyond legal compliance?



Finding: Only half of organizations say they are actively investing in understanding pay equity in their business/industry to a high or very high extent

Remedying pay equity gaps first requires understanding it. Only half of organizations say they are actively investing in understanding the pay equity gap in their business/industry to a high (34%) or very high (20%) extent. Slightly fewer are invested to a moderate (38%) or low (8%) extent.



Liu, J. (2022, December 29). Here are all the new salary transparency laws going into effect in 2023. CNBC. Retrieved from https://www.cnbc.com/2022/12/29/new-salary-transparency-laws-going-into-effect-in-2023.html

Liu, J. (2022, November 3). \$2 million ranges, deleted job posts: NYC's salary transparency law is off to a rocky start. CNBC. Retrieved from https://www.cnbc.com/2022/11/03/nycs-new-salary-transparency-law-is-off-to-a-rocky-start.html

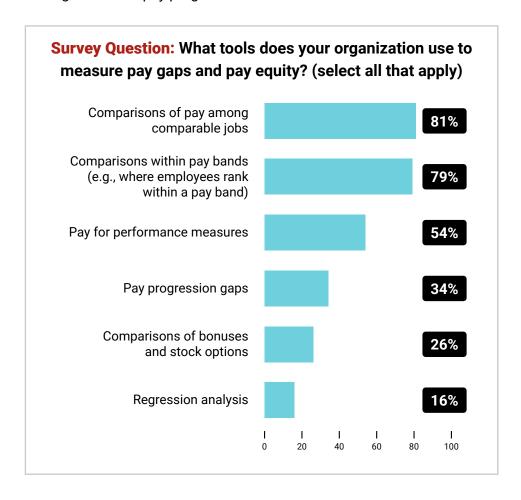






Finding: Organizations rely on pay comparisons among comparable jobs or within pay bands to measure pay gaps

Measuring gaps in pay among employees of comparable jobs (81%) or within same pay bands (79%) are popular techniques since they are straightforward ways to uncover pay inequity. However, pay gaps also arise from inequity in pay progressions and pay for performance. This means that not just the recruitment team must be trained in DEIB to hire employees at equitable pay, but training must also be given to supervisors and managers who are in charge of performance management and pay progression recommendations.



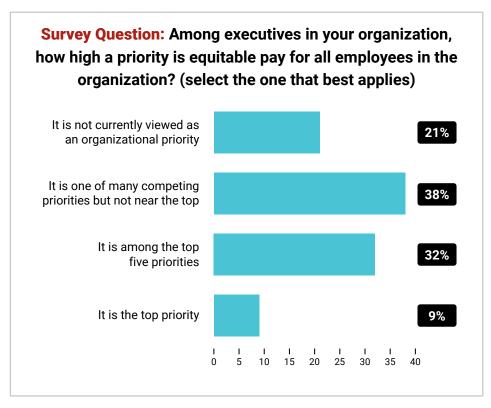




Finding: Under a third of organizations say equitable pay is among the top five priorities in their organizations

Despite legislation advocating pay transparency and equitable pay, over a fifth of respondents say equitable pay is not an organizational priority for executives. In two-fifths of organizations it is one of many competing priorities but not near the top. Pay equity is not likely to receive strategic focus in these organizations.

In about a third of organizations (32%) it is among the top five priorities and in just 9% of organizations it is the top priority for executives. Pay inequity has been a long-standing issue and organizations who do not focus on these issues are likely to miss out on talented candidates.¹³





~ Roselle Rogers, Vice President, DE&I at Circa

Lam, L., Cheng, B. H., Bamberger, P., & Wong, M.-N. (2022, August 12). Research: The unintended consequences of pay transparency. Harvard Business Review. Retrieved from https://hbr.org/2022/08/research-the-unintended-consequences-of-pay-transparency



Who Receives DEIB-related Training and What Components Are Included?

DEIB learning programs are a crucial aspect of improving DEIB in organizations. They help educate employees at all levels about the importance of DEIB, unconscious biases and sentiments that they may hold and the effect of these behaviors on equity deserving employees.



Finding: Thirty-seven percent of organizations have DEIB related L&D programs for all employees

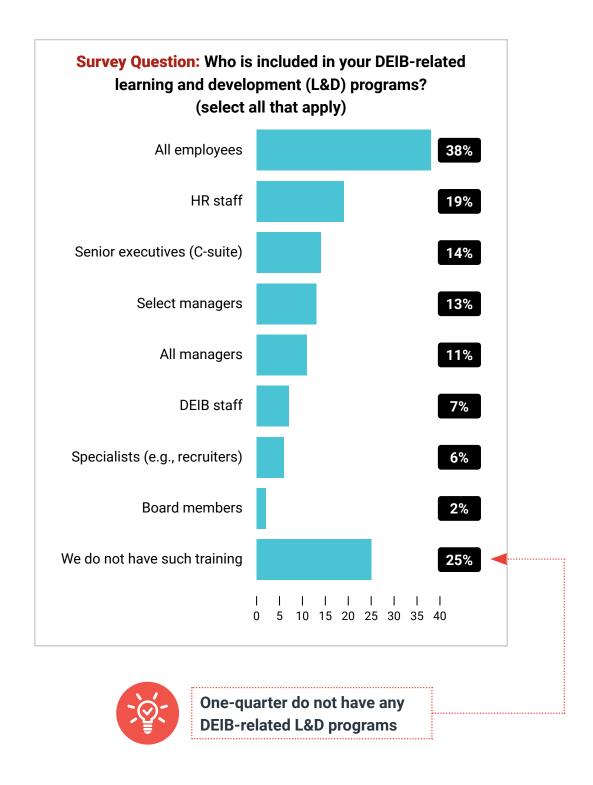
Considering the importance of DEIB-related L&D programs, one would expect that organizations would extend these programs to all employees. However, just 38% of organizations conduct DEIB L&D programs for all employees. Even more worrisome is that a quarter have no such training at all. One-fifth offer DEIB L&D programs for HR staff and about one-tenth or fewer offer these programs to all managers, DEIB staff, specialists or board members. This could definitely hamper the effectiveness of DEIB initiatives since DEIB awareness and involvement at all levels is the key to success.



There should be some foundational level training that organizations should open up to all employees, and you would encourage all employees to take it.

~ Roselle Rogers, Vice President, DE&I at Circa









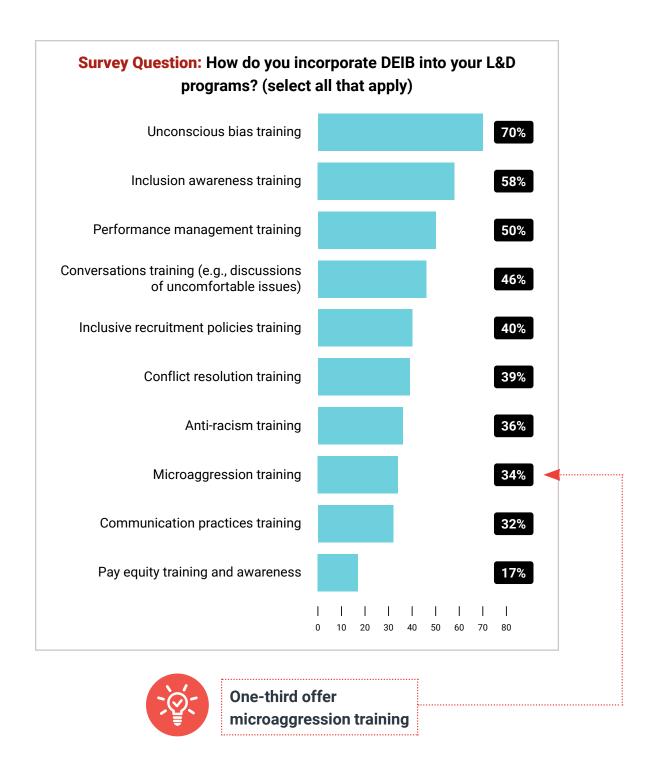
Finding: Unconscious bias training is the most popular component of DEIB L&D programs

Among organizations that offer DEIB-related L&D programs, the most widely provided is unconscious bias training (70%). This, in addition to the second popular component, inclusion awareness training (58%), helps employees understand their own biases and attitudes they may hold regarding DEIB. This also helps employees self-introspect to shed light on behaviors they may be engaging in that makes others feel excluded or discriminated.

Training surrounding performance management (50%), conversations training (46%) and inclusive recruitment practices (40%) contribute to improved and equitable representation at all levels through facilitating equitable career progression and career development for all employees.









Practices Linked to a Greater Chance of **DEIB Success**

How Do We Classify DEIB Leaders and DEIB Laggards?

For this report, we conducted various analyses to gain insights into which practices are most widely used by organizations with higher levels of maturity of their DEIB function. Specifically, we analyzed responses and segmented the data into two groups:

- **DEIB leaders**: These represent respondents who answered the question "At what stage of development is diversity, equity, inclusion and belonging (DEIB) within your organization?" as "advanced" or "expert."
- **DEIB laggards:** These who answered "undeveloped," "beginning" or "intermediate" to the same question.

Of course, correlation is not the same as causation. While we cannot state that any particular practice will definitely lead to success, we do see intriguing relationships that may, if used judiciously, result in greater success.

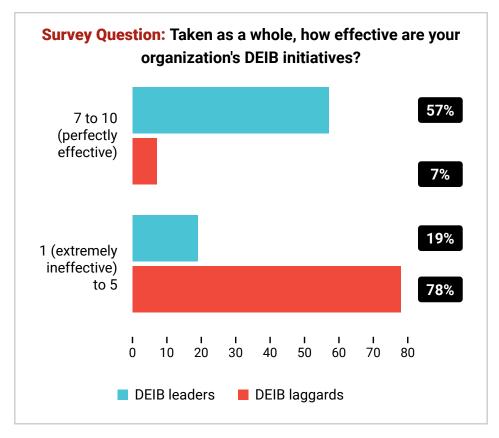
Results of Chisquare Test

A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to say that their DEIB initiatives are 7 or above on a 10 point scale of effectiveness.

Finding: DEIB leaders are more than seven times more likely than laggards to say their DFIB initiatives are effective

The maturity of the DEIB in leader organizations results in overall more effective DEIB initiatives. On a scale of 1 to 10 where 1 is extremely ineffective and 10 is perfectly effective, 57% of DEIB leaders say their DEIB initiatives can be rated a 7 or above whereas just 7% of DEIB laggards say the same. In contrast, 78% of laggards say their initiatives are a 5 or below on the same scale while just 19% of DEIB leaders say the same.





Editor's note: 1 = extremely ineffective and 10 = perfectly effective.

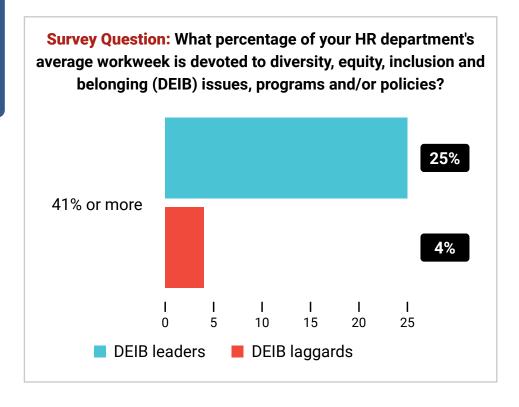




A chi-square test of independence shows that DEIB Leaders are significantly more likely than laggards to say that 41% or more of their HR department's time is devoted to DEIB issues, programs and/ or policies.

Finding: HR departments in DEIB leader organizations spend considerably more time per week on DEIB-related work

HR departments in DEIB leader organizations are more than six times more likely to say they spend 41% or more of their average workweek on DEIB-related work than laggards (25% vs. 4%).





A chi-square test of independence shows that DEIB laggards are significantly more likely than leaders to say that lack of metrics to identify insufficient DEIB, insufficient prioritization at top leadership levels are barriers to effectiveness of DEIB initiatives and lack of leaders to oversee/ champion initiatives are barriers to effectiveness of DEIB initiatives.

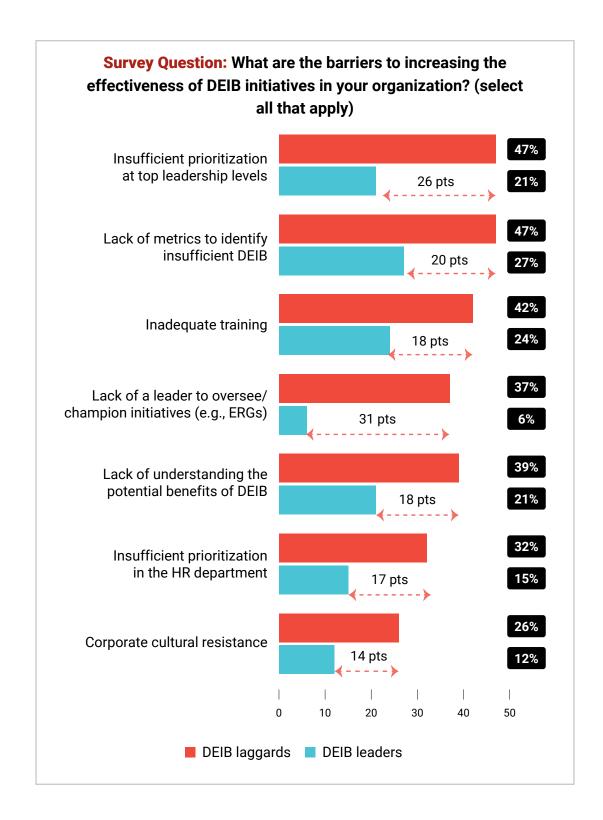
Finding: Almost half of DEIB laggards say the effectiveness of DEIB initiatives in their organizations is hampered by insufficient prioritization at top leadership levels

When compared to DEIB leaders, a much higher proportion of DEIB laggards cite barriers to effectiveness of DEIB initiatives. The biggest differences are related to attitude and support of top leadership for DEIB initiatives which further illustrates the need to make DEIB a strategic priority by top leadership. For example, when compared with DEIB leaders, DEIB laggards are:

- six times more likely to lack a leader to oversee/champion initiatives (37% vs. 6%)
- more than twice as likely to have insufficient prioritization at top leadership levels (47% vs. 21%)
- more than twice as likely to have corporate cultural resistance (26% vs. 12%)









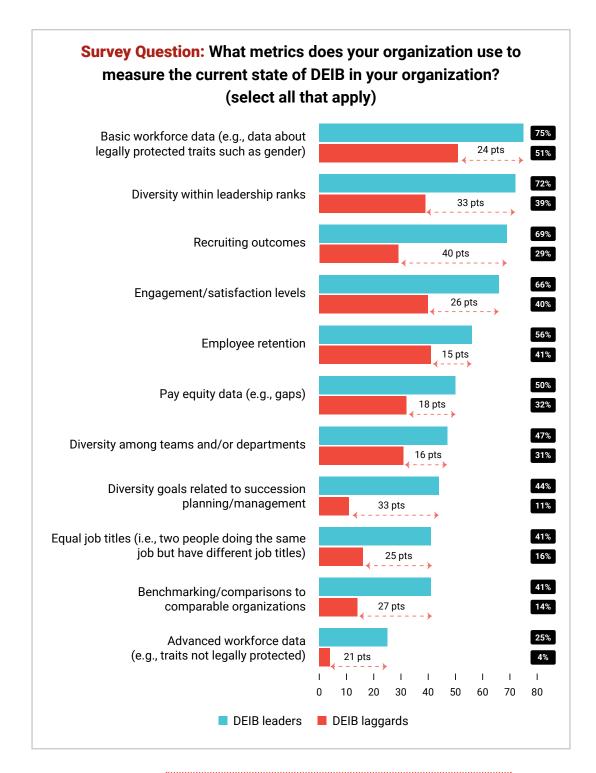
A chi-square test of independence shows that DEIB leaders use all listed DEIB related metrics to a significantly higher extent than laggards.

Finding: DEIB leaders are more likely than laggards to use a variety of DEIB metrics to measure the current state of DEIB in their organization

The success of DEIB initiatives in leader organizations can be attributed to better utilization of DEIB metrics. This allows them to comprehensively measure, benchmark and improve their DEIB initiatives. It also allows them to demonstrate the outcomes of DEIB initiatives in measurable terms which improves their credibility and can lead to greater leadership buy in. Three-quarters of DEIB leaders measure basic workforce data and 72% measure diversity within leadership ranks. While this may be a starting point for measuring DEIB through representation numbers, just half of DEIB laggards measure basic workforce data and 39% measure diversity within leadership ranks.









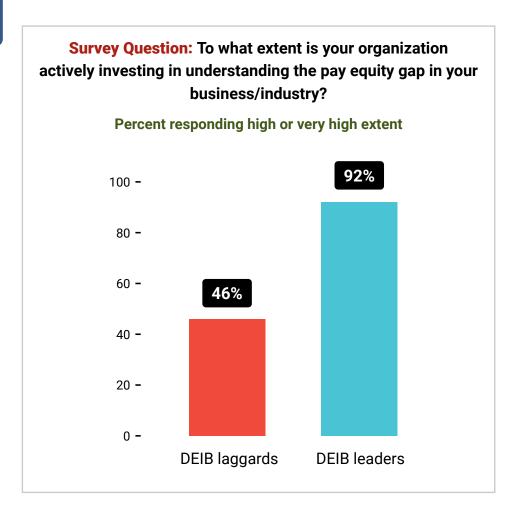
DEIB leaders are four times more likely than **DEIB laggards to measure diversity goals** related to succession planning/management



A chi-square test of independence shows that DEIB leaders are significantly more likely to say their organization is actively invested in understanding pay equity gap to a very high extent than laggards are.

Finding: Nearly all DEIB leaders are actively invested in understanding the pay equity gap in their business/industry to a high or very high extent

Pay inequity is a large source of discrimination against equity deserving employees in a majority of organizations. DEIB leaders appear to be committed to understanding this issue and 92% say they are actively investing in this area to a high or very high extent while just 46% of DEIB laggards say the same.

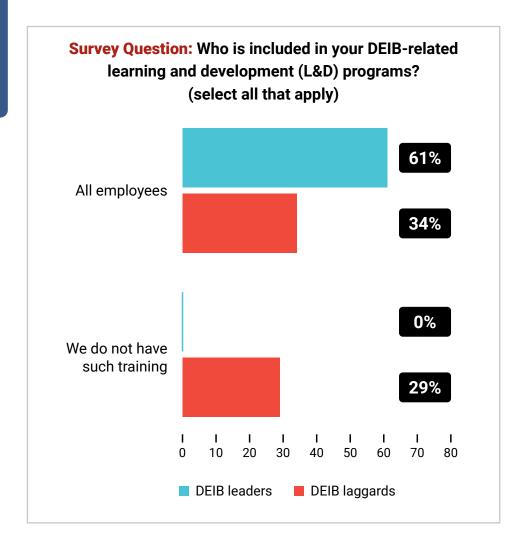




A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to say all employees are included in DEIB L&D programs and laggards are significantly more likely than leaders to say they have no such training.

Finding: DEIB leaders are almost twice as likely as DEIB laggards to offer DEIB-related L&D to all employees

DEIB related L&D has utility for employees at all levels. While three-fifths of DEIB leaders offer such training to all employees, just one-third of laggards do the same. In fact, in almost a third of DEIB laggards, there is no such DEIB-related L&D program.



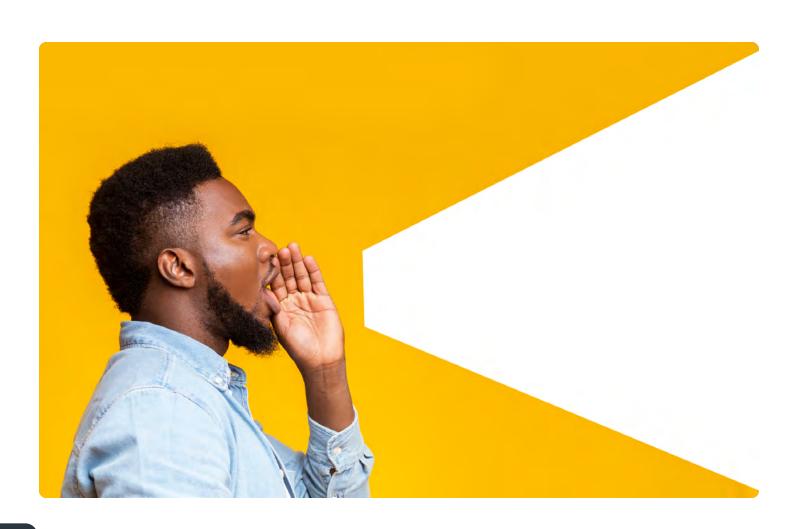


A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards use all listed DEIB related initiatives to a high or very high extent.

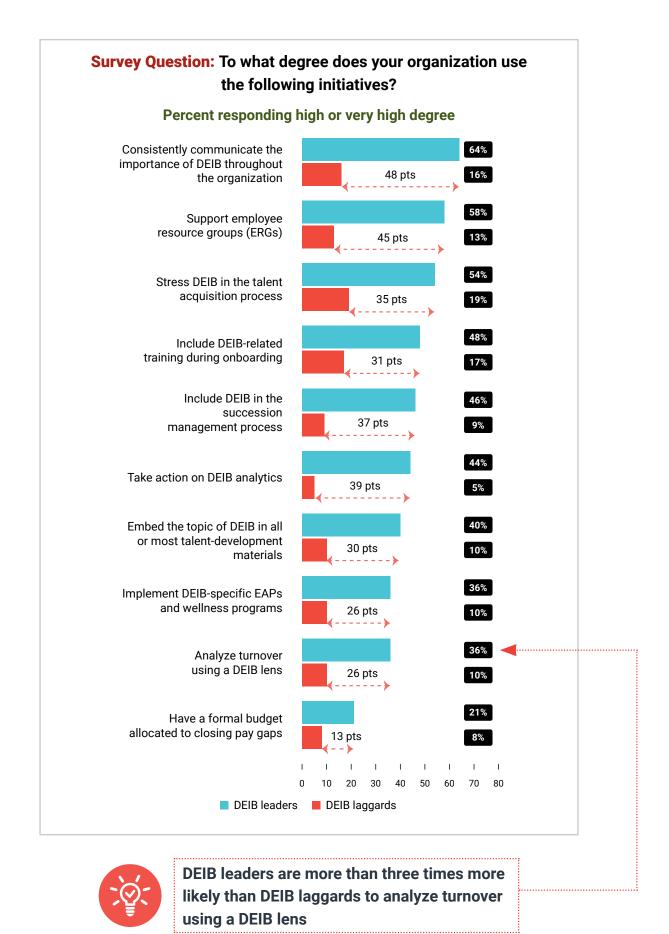
Finding: Two-thirds of DEIB leaders consistently communicate the importance of DEIB throughout the organization while just 16% of DEIB laggards do the same

DEIB leaders engage in all listed DEIB-related initiatives to a much higher degree than do laggards. Some notable differences include:

- consistently communicate the importance of DEIB throughout the organization (64% vs. 16%)
- support employee resource groups (ERGs) (58% vs. 13%)
- take action on DEIB analytics (44% vs. 5%)
- include DEIB in the succession management process (46% vs. 9%)
- include DEIB-related training during onboarding almost 3 times more likely (48% vs. 17%)





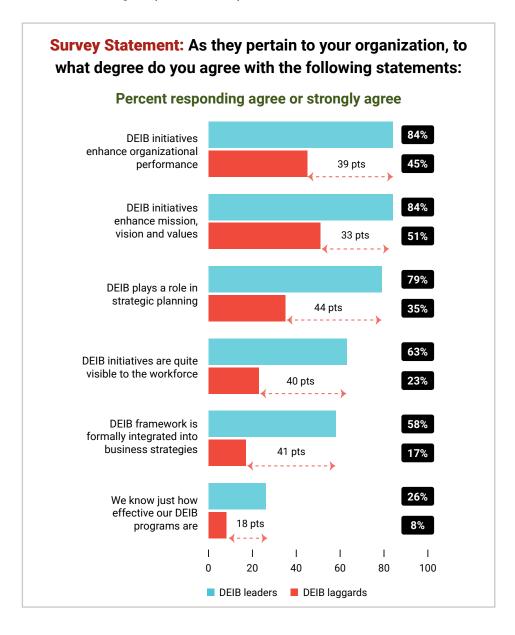




A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to agree/strongly agree to all listed DEIB related statements.

Finding: DEIB leaders are more likely than laggards report better DEIB related outcomes

Overall, DEIB leaders are more likely to report better DEIB-related outcomes. They are more likely to say their DEIB initiatives enhance organizational performance (84% vs. 45%) and that their initiatives enhance mission, vision and values (84% vs. 51%). The success of DEIB initiatives in leader organizations can also be attributed to the fact that DEIB in their organizations is more likely to play a role in strategic planning (79% vs. 35%) and DEIB framework is formally integrated into business strategies (58% vs. 17%).

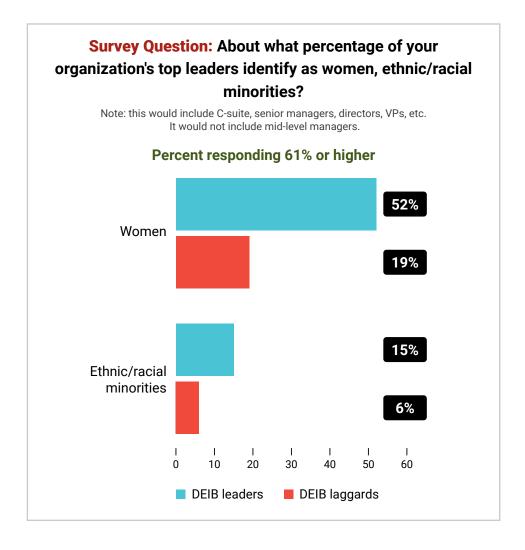




A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to say 61% or more of their top leaders are women or racial/ethnic minorities.

Finding: Half of DEIB leaders say the majority (61% or more) of their top leaders identify as women

While representation is only one measure of DEIB, representation at the top of the organization plays a significant role in the support that DEIB initiatives receive and how strategically important they are seen. More than half of DEIB leaders have more than 61% of their top leadership identifying as women while just 19% of laggards say the same. While the number of DEIB leaders having a majority of their top leadership comprised of ethnic/racial minorities is smaller (15%) it is still more than double that of laggards (6%).

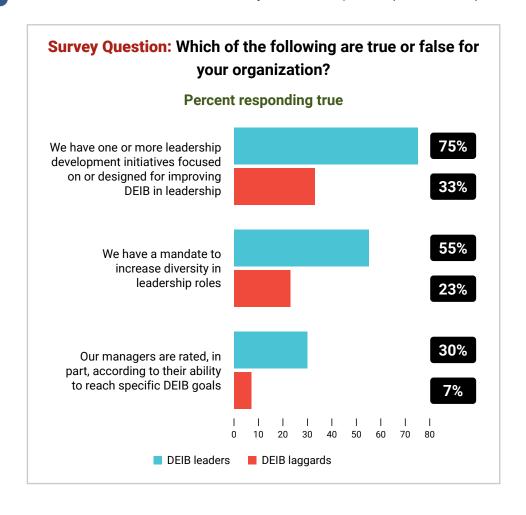




A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to say all listed DEIB related statements are true in their organizations.

Finding: Three-quarters of DEIB leaders have one or more leadership initiatives focused on or designed for improving DEIB in leadership

The greater proportion of women and minorities in top leadership positions in DEIB leader organizations is not by chance. DEIB leaders are more than twice as likely as laggards to have leadership development initiatives focused on improving DEIB in leadership (75% vs. 33%) and have a mandate to increase diversity in leadership roles (55% vs. 23%).

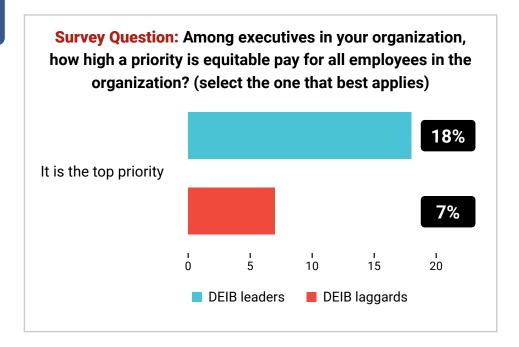




A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to say equitable pay for all employees is the top priority for executives in their organizations.

Finding: One-fifth of DEIB leaders say pay equity is the number one priority for executives in their organizations

One-fifth (18%) of DEIB leaders say equitable pay for all employees is the top priority among executives. By comparison, just 8% of DEIB laggards say the same. This is indicative of the commitment that leader organizations have towards ensuring equal employee experience for all employees in their organization.







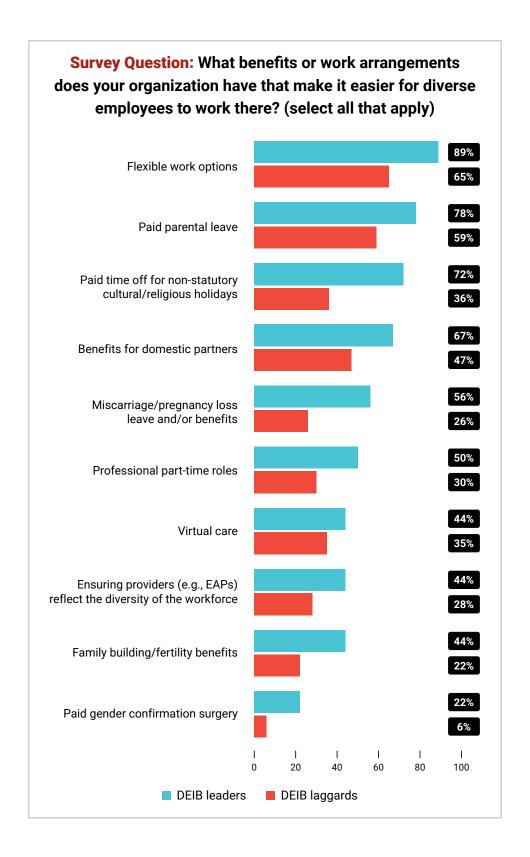
A chi-square test of independence shows that DEIB leaders are significantly more likely than laggards to offer a range of benefits to a greater degree, making it easier for diverse employees to work there.

Finding: Most DEIB leaders offer flexible work options to make it easier for diverse employees to work there

More than half of DEIB leaders offer a variety of benefits to accommodate diverse employees; for example, flexible work options (89%), paid parental leave (78%), paid time off for non-statutory cultural/religious holidays (72%), benefits for domestic partners (67%), miscarriage/pregnancy loss leave (56%) and professional part-time roles (50%). In contrast, only two benefits are offered by over half of laggards: flexible work options (65%) and paid parental leave (59%).







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Key Takeaways

Below are some recommendations for organizations to improve their DEIB.

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Look at DEIB as a journey and not a destination. Very often organizations incorporate policies, procedures and systems to improve DEIB as a means of feeling assured that they have done their best to check the DEIB box. However, the reality is that undoing years of discrimination and oppression is rarely a short-term goal. Changing mindsets, convincing top leaders of the business utility of DEIB, bringing about cultural shifts is a long journey with many ups and downs. Organizations must be willing to invest in DEIB as a long-term strategy and stop patting themselves on the back every time representation of minorities improves by a few percentage points. It also requires organizations to be honest and confront ugly truths about discrimination within their workplace. With growing emphasis on transparency, employees expect organizations to be honest not only about improvements and efforts, but also about challenges and struggles with bringing equity at work. This allows for greater trust and a realistic vision regarding how DEIB will progress.

Takeaway

Hold critical and vulnerable conversations around DEIB. To truly embrace change and move toward equity, it is important to understand the stories of people at work. Often, this requires holding vulnerable conversations around discrimination, belonging and equity. This may require extensive training for managers and other DEIB professionals who hold these conversations to employ active listening, empathy and make employees feel safe to share their often emotional stories. In most cases, anonymity must be guaranteed to help respondents share candidly without fear of repercussions. It is also critical to follow up with respondents on how their stories are being used to improve DEIB and how important their participation is to effect change within the organization. Finally, information collected through these conversations must inform decisions and actions toward remedying identified gaps in DEIB. Organizations that miss following up conversations with action, risk making participants feel unheard and may reduce their participation in future.



Takeaway

Get help with DEIB initiatives. Organizations often require help from specialized consultants or employees who have expertise in DEIB to assist them with these initiatives. Our results show that many organizations look to HR professionals to take on DEIB responsibilities. This can be ineffective since DEIB is a sensitive issue that requires comprehensive knowledge, lived experiences and expertise that a trained DEIB professional brings. In some cases, the process must begin with a full-scale audit of the organization at all levels to benchmark DEIB. If internal employees feel that top leadership is unwilling to face harsh truths, they may conduct a superficial audit that is unlikely to reveal useful information. An external consultant who is free from the political ramifications of the results of the audit may be a more suitable choice. This could also be handled by an autonomous DEIB committee made up of representatives from all levels of the organization.

Takeaway

Utilize DEIB-related data and metrics. Consistent and holistic measurement of DEIB allows organizations to firstly determine where they stand, and next, measure improvements they make on this baseline. An effective current state assessment requires analysis of both formal and informal processes, procedures and behaviors in the organization. Another way to gather useful information could be through ERGs based on ability, race, gender, sexual orientation, etc. Leaders of these ERGs could regularly meet with the organization's leadership to provide feedback on employee sentiments and concerns.

Build inclusive leadership. Leadership buy-in is critical to any initiative. Top leaders who act as sponsors for DEIB initiatives help increase credibility, remove roadblocks, and increase exposure across the organization. Holding leadership responsible for at least some part of DEIB, removes the burden from the shoulders of the very people whom the system oppresses. Organizations need to recognize that employees who involve themselves in DEIB work have to balance professional responsibilities and accountabilities while undertaking difficult, emotional work and embracing their personal identities. Leaders who support and encourage these employees are critical to DEIB success.





Allow employees to bring their authentic selves to work. "Codeswitching" is a behavioral adjustment for minorities to successfully navigate interracial interactions. 14 This occurs in spaces where minorities must adjust their behaviors to fit into "appropriate" behaviors at work. A recent study reveals that 61% of all employees minimize their identities that make them "different" in some way. 15 Employees cannot check their identities at the door when they enter the workplace. Rethink policies around appropriate dress codes and behavior at work. Studies show that minorities often face greater pressure to conform to white ideals of professionalism. ¹⁶ Do you have policies around appearances and behaviors because they impact the work being done or is it because that is the way things have always been done? If the policy or rule doesn't have a bona fide occupational reason, then it can be scrapped. Customer or leadership preferences are not a valid justification for prohibiting a particular hairstyle or appearance preference.¹⁷ Allowing employees to be authentic also requires the work culture to be free from microaggressions. This may require extensive training to educate people about making people feel othered and dehumanized.

Focusing on visibility for underrepresented groups. One method to improve visibility for minorities at work is coaching and sponsorship. This allows underrepresented groups access to resources and training that they have historically lacked and helps bring them to a level playing field. This could be one of the first steps to improving representation at the leadership level. There could also be an incubator program to support the career growth of minorities and women. Further, employees involved in DEIB work need to be recognized and rewarded for their efforts. This brings visibility to their work outside their normal job duties. Allowing people who are involved in ERGs and other DEIB-related work to add this work to their performance review helps them feel recognized and improves support by supervisors.

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Takeaway

Be accountable and focus on specific actions. Rather than making vague statements about their good intentions regarding DEIB, it is important for organizations to focus on specific actions that help improve equity. This could be exploring non-traditional pathways for sourcing a more diverse applicant pool (such as all-women coding camps), creating inclusive job descriptions, training recruiters to look beyond candidates' academic credentials, communicating clear career paths for minorities and women, providing managers with training and tools to encourage employees to be their full selves at work. Accountability could be through a regular newsletter with representation numbers and other highlights relating to DEIB that could be made available publicly.





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Affirmity provides a robust portfolio of software, consulting services, and blended learning solutions that help global enterprises and other organizations build inclusive workforces so that they can experience longterm business value, while minimizing risk, from their DE&I and affirmative action programs.

Drawing on more than 45 years of experience, our software, learning solutions, and team of experts guide HR, DE&I, and compliance teams to easily analyze and benchmark diversity across the organization, identify gaps and insights into causes, formulate inclusion strategies, develop training plans, and continually track D&I effectiveness over time.

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