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# Diversity, Inclusion & Belonging in the Workplace: Landscape Study

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## 1. Executive Summary

Diversity today is much more than just race and gender. Today's employees prefer a workplace that has multiple facets of diversity, like race, ethnicity, religious inclination, sexual orientation, age, disability and most importantly, diversity of thought and leadership styles. Having a sense

of inclusion and belonging has become a key influencing factor for employee engagement and satisfaction. Diversity, Inclusion and Belonging (DIB) is a key aspect that organizations should weave into their culture and leverage the merits of a diverse workplace to achieve competitive business advantage.

Companies across the globe are evolving in multiple ways in their understanding of Diversity, Inclusion and Belonging. This includes best practices around implementing DIB as an organizational strategy, data-driven ways to assess the effectiveness of that strategy, and internalizing that a thoughtful DIB strategy can have a positive impact on business outcomes. Change is happening, but at a slow pace. The DIB ecosystem and supporting industry, started pretty much as just a combination of HR policies and specialized training. It is now evolving into an ecosystem that includes diversity laws, policies that push for collection and sharing of diversity data and thoughtfully designed AI-based D&I practices and assessment. Companies have started acknowledging that DIB needs to be a well thought out corporate strategy and an integral part of a company's culture fabric, for longer term success.

In this document, we present an introduction to DIB, followed by a look at why DIB matters for businesses and then a summary of where the industry is now. We then present some detail and analysis of the DIB industry landscape, followed by recommendations.

## 2. DIB Basics

DIB in the workplace is more than just statistics on gender and ethnicity of employees. It is about things like NASA hiring female astronauts, and then ensuring that those astronauts have the right environment and tools to perform their jobs effectively, including providing space suits that fit. NASA was in the news recently<sup>1</sup> for canceling what would have been the first all-woman space walk because of the lack of properly sized space suits. So, although NASA has gender diversity among its astronauts, it failed to make the female astronauts feel that they were truly included and belong.

There is often confusion between the meanings of the three words “diversity”, “inclusion” and “belonging”.

Diversity is a company's mix of employees in the workplace, in terms of gender, ethnicity and different backgrounds in general.

Inclusion is how well a company's employees mix in the workplace.

Belonging is a feeling that one's whole self has a place in the mix of people in the workplace, it's bringing your true authentic self to the workplace without fear of judgement.

DIB can be easily understood with the following analogy<sup>2</sup>:

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<sup>1</sup> (2019, April 10). For Women, NASA Space Suit Fit Issues Go Back Decades | Outside .... Retrieved April 26, 2019, from <https://www.outsideonline.com/2393334/nasa-astronaut-spacesuit-women>

<sup>2</sup> (n.d.). Why Creating a Sense of Belonging Is a Gateway to Diversity and .... Retrieved April 26, 2019, from <https://business.linkedin.com/talent-solutions/blog/diversity/2017/why-creating-a-sense-of-belonging-is-a-gateway-to-diversity-and-inclusion>



*Diversity is like being invited to the party*



*Inclusion is being asked to dance at that same party*



*Belonging is dancing like no one's watching*

Diversity alone merely gets people into the room, but inclusion and belonging helps keep them there. In terms of driving business advantages, diversity alone is not enough. Inclusion and belonging are needed to help drive real competitive advantage.

The subsections below cover more details on diversity, inclusion and belonging.

## 2.1. Diversity

Human beings tend to behave in certain ways and judge the world through their own narrow perspectives. It is difficult for people to share power and trust those with different backgrounds. History shows that people rarely promote workplace diversity voluntarily. We could be both perpetrator and victim of discrimination and stereotypes. Therefore, diversity should be a strategic business priority.

Workplace diversity is more than race and gender, as shown in the figure below on “Four Layers of Diversity Model” created by Gardenswartz and Rowe<sup>6</sup>. We should value the differences between people including personalities, races, ethnicities, genders, ages, religions, disabilities, and sexual orientations.

<sup>3</sup> Graphic: "Rainbow Birthday Invitations, 8pk"

<https://www.walmart.com/ip/Rainbow-Birthday-Invitations-8pk/35760522>. Accessed 26 Apr. 2019.

<sup>4</sup> Graphic: (2010, November 19). Asking a Lead to Dance for Follows | ATOMIC Ballroom | Irvine, CA in .... Retrieved April 26, 2019, from <https://atomicballroom.com/blog/2010/11/19/asking-a-lead-to-dance-for-follows/>

<sup>5</sup> Graphic: (n.d.). Diversity and Inclusion at Asana · Asana. Retrieved April 26, 2019, from <https://asana.com/diversity-and-inclusion>

<sup>6</sup> "Diversity Consulting." <https://www.gardenswartzrowe.com/>. Accessed 26 Apr. 2019.

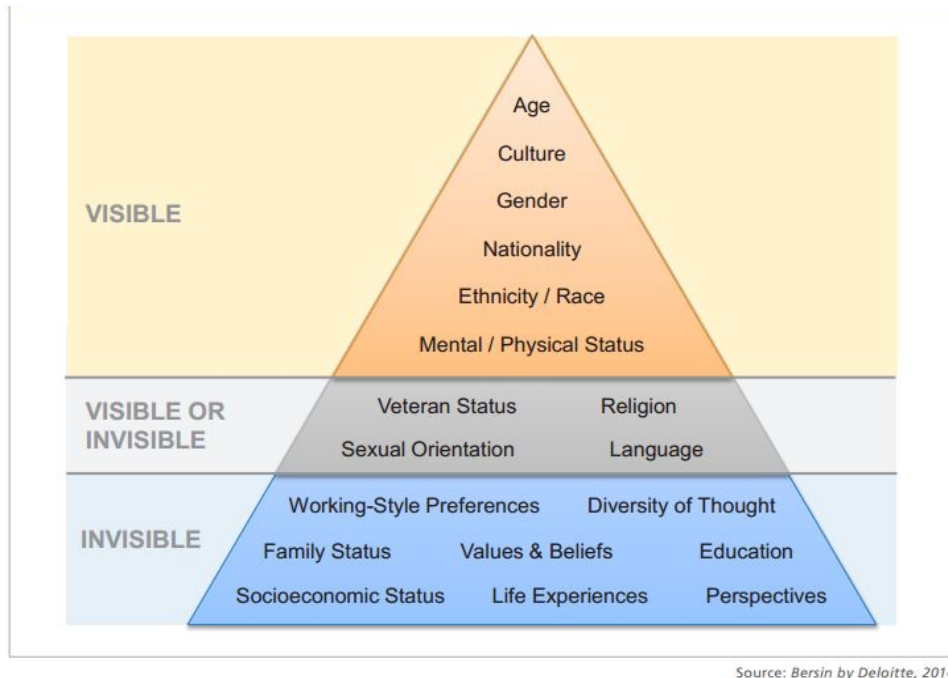


\*Gardenswartz & Rowe, *Diverse Teams at Work* (2nd Edition, SHRM, 2003)

\*Internal Dimensions and External Dimensions are adapted from Marilyn Loden and Judy Rosener, *Workforce America!* (Business One Irwin, 1991)

### Figure: Four Layers of Diversity Model

The scope of diversity should also extend to external dimensions and organizational dimensions. Bersin by Deloitte points out, in the following graphic, that some diversity traits are visible and easy to measure, while other traits are invisible or semi-invisible and difficult to measure.



**Figure: Visible and Invisible Diversity Traits**

A Deloitte study<sup>7</sup> finds that different generations have their own understanding of diversity. Millennials view workplace diversity as the combining of different backgrounds, experiences, and perspectives, so that these differences will result in more innovation. On the other hand, Gen Xers and Boomers view it as equal and fair representation regardless of demographics, without necessarily considering diversity's relationship with business results.

## 2.2. Inclusion

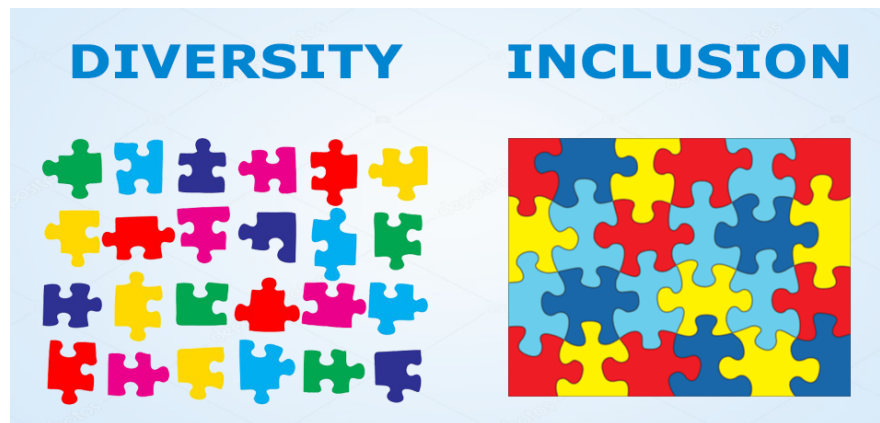
Although diversity and inclusion always come together, they are not the same. Diversity alone does not drive business growth. An inclusive environment is required to attract diverse talent, encourage their participation and foster innovation. Unlike diversity, inclusion is much more difficult to quantify. The Center for Talent Innovation developed a framework to measure the sense of inclusion and uncover four levers that drive inclusions<sup>8</sup>. These include:

- a) Inclusive leaders
- b) Authenticity
- c) Networking and visibility
- d) Clear career paths.

<sup>7</sup> (2019, February 24). Diversity And Inclusion: A Beginner's Guide For HR Professionals | Ideal. Retrieved April 26, 2019, from <https://ideal.com/diversity-and-inclusion/>

<sup>8</sup> "Diversity Doesn't Stick Without Inclusion - Harvard Business Review." 1 Feb. 2017, <https://hbr.org/2017/02/diversity-doesnt-stick-without-inclusion>. Accessed 26 Apr. 2019.

The following graphic<sup>9</sup> illustrates the difference between diversity and inclusion:



**Figure: Diversity vs Inclusion**

## 2.3. Belonging

Belonging is how much employees feel they can be their true authentic selves in the workplace. A report by Russell Reynolds Associates<sup>10</sup> says:

*If diversity and inclusion efforts are perceived as superficial, the company has not succeeded in creating an environment that embraces and leverages the voices and capabilities of its entire workforce. Ultimately, if employees do not feel like they belong, efforts around inclusion and diversity will fall short, limiting the opportunities available to a truly evolved enterprise.*

The ultimate goal of belonging, feeding from diversity and inclusion, is captured in the graphic below (from the same report by Russell Reynolds Associates).

<sup>9</sup> "Valuing Diversity & Moving Towards Inclusion - The Community ...."  
<https://www.cfmco.org/2019/01/valuing-diversity-moving-towards-inclusion/>. Accessed 26 Apr. 2019.

<sup>10</sup> "insights/thought-leadership/diversity-and-inclusion-gamechangers." 12 Jul. 2016,  
<https://www.russellreynolds.com/insights/thought-leadership/diversity-and-inclusion-gamechangers>. Accessed 26 Apr. 2019.



**Figure: Ultimate Goal of Belonging**



### 3. DIB: Why it matters?

Extensive research has been performed on how DIB benefits companies (e.g. <sup>11</sup> <sup>12</sup>). In this section we show how DIB improves most important aspects of company performance, and how companies attribute success to their progress in DIB.

#### 3.1. DIB is good for business

McKinsey & Company has been researching the business impact of diversity for more than ten years (e.g. <sup>13</sup> <sup>14</sup>). McKinsey's 2015 report on "Diversity Matters"<sup>15</sup> showed that companies with more diverse workforces perform better financially. Companies that are more gender-diverse are 15% more likely to outperform in terms of greater financial returns, and companies that are more ethnically diverse are 35% more likely to outperform. This is depicted in the graphic below from the report. The 2018 McKinsey report<sup>16</sup> on "Delivering through Diversity" reinforced this result, with a shift in the more recent data to 21% and 33% for gender and ethnically diverse companies respectively.



**Figure: More diverse companies will outperform financially**

The McKinsey "Diversity Matters" report stated:

<sup>11</sup> (2018, January 22). Eight truths about diversity and inclusion at work | Deloitte Insights. Retrieved April 26, 2019, from <https://www2.deloitte.com/insights/us/en/deloitte-review/issue-22/diversity-and-inclusion-at-work-eight-powerful-truths.html>

<sup>12</sup> (2018, August 1). Why Diversity and Inclusion Matter: Financial Performance - Catalyst. Retrieved April 26, 2019, from <https://www.catalyst.org/research/why-diversity-and-inclusion-matter-financial-performance/>

<sup>13</sup> (Oct 2017). Women Matter: Ten years of insights on gender diversity | McKinsey. Retrieved April 26, 2019, from <https://www.mckinsey.com/featured-insights/gender-equality/women-matter-ten-years-of-insights-on-gender-diversity>

<sup>14</sup> (Oct 2007). Gender diversity, a corporate performance driver | McKinsey. Retrieved April 26, 2019, from <https://www.mckinsey.com/business-functions/organization/our-insights/gender-diversity-a-corporate-performance-driver>

<sup>15</sup> (Jan 2015). Why diversity matters | McKinsey. Retrieved April 26, 2019, from <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

<sup>16</sup> (Jan 2018). Delivering growth through diversity in the workplace | McKinsey. Retrieved April 26, 2019, from <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

*While correlation doesn't equal causation (greater gender and ethnic diversity in corporate leadership doesn't automatically translate into more profit), the correlation does indicate that when companies commit themselves to diverse leadership, they are more successful. More diverse companies, we believe, are better able to win top talent and improve their customer orientation, employee satisfaction, and decision making, and all that leads to a virtuous cycle of increasing returns. This in turn suggests that other kinds of diversity—for example, in age, sexual orientation, and experience (such as a global mindset and cultural fluency)—are also likely to bring some level of competitive advantage for companies that can attract and retain such diverse talent.*

The report also notes:

- In the US, there is a linear relationship between racial and ethnic diversity and better financial performance
- Diversity is a competitive differentiator shifting market share toward more diverse companies.

A report by Peterson Institute for International Economics on “Is Gender Diversity Profitable?”<sup>17</sup> analyzed results from a global survey of 21,980 firms across 91 countries. The results found that the presence of women in corporate leadership positions may significantly improve a company's performance, with the greatest impact being the share of women in executive management, then share in company board, while female CEOs has no noticeable effect. Specifically, a move within profitable firms from no female leaders to 30% representation is associated with a 15% increase in net revenue. The results highlight the importance of creating a pipeline of female managers.

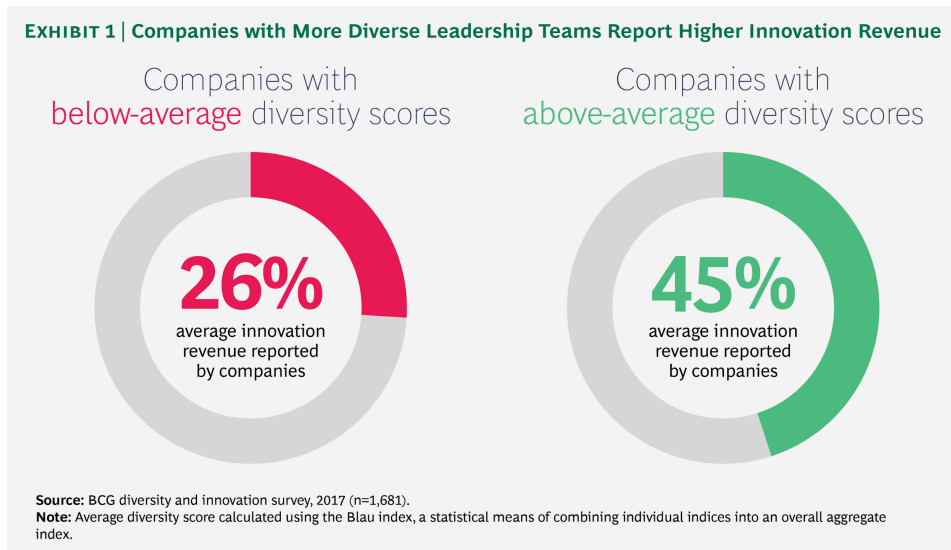
Research by Boston Consulting Group<sup>18,19</sup> (among others) has shown that diverse leadership teams boost innovation, with more revenue generated from products and services developed in the past three years. The graphic below from BCG's 2018 report shows that companies with more diverse leadership teams have 45% of their income from innovation versus 26% for less diverse companies.

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<sup>17</sup> (Feb, 2016). Is Gender Diversity Profitable? Evidence from a Global Survey | PIIE. Retrieved April 26, 2019, from <https://piie.com/publications/working-papers/gender-diversity-profitable-evidence-global-survey>

<sup>18</sup> (2018, January 23). How Diverse Leadership Teams Boost .... Retrieved April 26, 2019, from <https://www.bcg.com/publications/2018/how-diverse-leadership-teams-boost-innovation.aspx>

<sup>19</sup> (n.d.). The Mix That Matters: Innovation Through Diversity - BCG. Retrieved April 26, 2019, from <https://www.bcg.com/publications/2017/people-organization-leadership-talent-innovation-through-diversity-mix-that-matters.aspx>



**Figure: More diverse companies have higher innovation income**

### 3.1.1. Qantas: example of DIB helping to transform a company

Qantas is a good example of DIB being good for business<sup>20 21</sup>, transforming itself from a record loss to a record profit, where CEO Alan Joyce attributed this transformation to having a diverse environment and an inclusive culture.

Alan Joyce said “*We have a very diverse environment and a very inclusive culture*”. Those characteristics “*got us through the tough times... diversity generated better strategy, better risk management, better debates, better outcomes*”. Other companies can learn from Qantas to become stronger in these areas by fostering a more diverse and inclusive culture.

### 3.1.2. Sodexo: example of DIB differentiating from competitors

Sodexo is another example of DIB being good for business<sup>22 23 24</sup>, and has become a Harvard Business school case study<sup>25</sup> on how diversity and inclusion can differentiate a company from its competitors. However, it was not always this way for Sodexo. In the early 2000’s, Sodexo was sued by former employees for discrimination in promotion cases. Sodexo took this as a call to action to make their culture more diverse and inclusive.

<sup>20</sup> (2018, January 22). Eight truths about diversity and inclusion at work | Deloitte Insights. Retrieved April 26, 2019, from <https://www2.deloitte.com/insights/us/en/deloitte-review/issue-22/diversity-and-inclusion-at-work-eight-powerful-truths.html>

<sup>21</sup> (n.d.). The story behind the award-winning Qantas HR team | HRD Australia. Retrieved April 26, 2019, from <https://www.hcamag.com/au/news/general/the-story-behind-the-award-winning-qantas-hr-team/144887>

<sup>22</sup> (2016, August 7). 10 Companies Around the World Embracing Diversity in ... - SocialTalent. Retrieved April 26, 2019, from <https://www.socialtalent.com/blog/recruitment/10-companies-around-the-world-that-are-embracing-diversity>

<sup>23</sup> (2013, February 22). Diversity Turnaround at Sodexo | Atlanta Daily World. Retrieved April 26, 2019, from <https://atlantadailyworld.com/2013/02/22/diversity-turnaround-at-sodexo/>

<sup>24</sup> (2016, March 8). Why Gender Balance Can't Wait - Harvard Business Review. Retrieved April 26, 2019, from <https://hbr.org/2016/03/why-gender-balance-cant-wait>

<sup>25</sup> (n.d.). HARVARD BUSINESS SCHOOL CASE STUDY Shifting the ... - Sodexo. Retrieved April 26, 2019, from [https://www.sodexo.com/files/live/sites/sdxcom-global/files/020\\_Global\\_Content\\_Master/Building\\_Blocks/GLOBAL/Multimedia/PDF/Sodexo-Diversity-HBSCaseStudy\\_summary.pdf](https://www.sodexo.com/files/live/sites/sdxcom-global/files/020_Global_Content_Master/Building_Blocks/GLOBAL/Multimedia/PDF/Sodexo-Diversity-HBSCaseStudy_summary.pdf)

After the diversity turnaround at Sodexo, their Global Diversity Chief, Rohini Anand, said *“diversity and inclusion strengthens our company, maximizes the investment of our stockholders, and prepares us to lead in the 21st century”*.

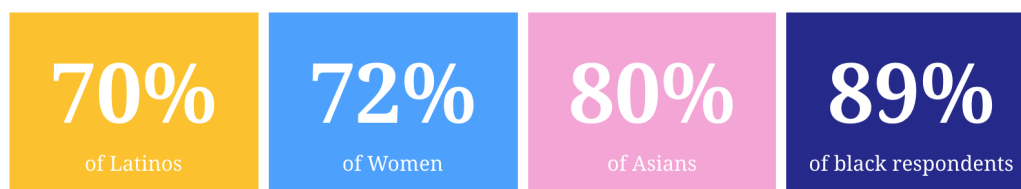
As of 2016, Sodexo had 40% female staff, up from 17% in 2009, and 43% female board. They target to be gender-balanced (40-60%) in management and senior management by 2025.

Sodexo has found that business units with more gender-balanced management teams are more likely to show an increase in gross profits. They also found other benefits such as employee engagement, enhanced brand image and greater client satisfaction, which are all good for business.

## 3.2. DIB improves hiring and retention

Research has shown that DIB helps to hire and retain top talent. According to Catalyst’s research on “Why Diversity and Inclusion Matter”<sup>26</sup> gender diverse companies are linked to lower levels of employee turnover, and an inclusive environment is especially important for employees of color.

According to analysis of Glassdoor’s hiring survey<sup>27</sup>, 57% of employees want their company to do more to increase diversity, and 67% of job seekers said that a diverse workforce is an important factor when evaluating companies and job offers. This breaks down to 72% of women consider workforce diversity important, 62% of men, 89% of black respondents, 80% of Asians, and 70% of Latinos, as shown in the following graphic<sup>28</sup>.



**Figure: List diversity as a major factor in deciding where to work**

### 3.2.1. T-Mobile: example of DIB improving retention rate

T-Mobile supports a culture of inclusion and innovation, with formal D&I programs. They foster inclusion and belonging through creation of employee resource groups (ERGs). In 2017, T-Mobile found that employee retention rates were significantly higher among employees who actively participated in their D&I programs.<sup>29</sup>

<sup>26</sup> (2018, August 1). Quick Take: Why Diversity and Inclusion Matter - Catalyst. Retrieved April 26, 2019, from <https://www.catalyst.org/research/why-diversity-and-inclusion-matter/>

<sup>27</sup> (2014, November 17). What Job Seekers Really Think of Your Diversity Stats - Glassdoor. Retrieved April 26, 2019, from <https://www.glassdoor.com/employers/blog/diversity/>

<sup>28</sup> (2018, August 7). Diversity in the Workplace 101 - Officevibe. Retrieved April 26, 2019, from <https://www.officevibe.com/blog/diversity-in-the-workplace>

<sup>29</sup> (2018, September 26). How To Retain Diverse Talent - Forbes. Retrieved April 26, 2019, from <https://www.forbes.com/sites/janicegassam/2018/09/26/how-to-retain-diverse-talent/>

### 3.3. DIB improves company reputation

Diversity and inclusion help to improve a company's reputation and brand image, which in turn helps attract and retain both customers and top talent, which is good for business.

Analysis by Weber Shandwick<sup>30</sup> of Fortune's list of World's Most Admired Companies found that the top ranked companies tend to have twice as many women in senior management as those low on the list (although the numbers are still low at 17% vs 8%).

A study<sup>31</sup> on Board Diversity and Corporate Social Responsibility found that companies with a diverse board are more likely to have a higher CSR rating.

The above mentioned analysis and study show that companies with good reputations tend to be more diverse on average. The relationship between a company's reputation and DIB can be cyclical in nature, in that a company can get a good reputation for being diverse and inclusive, which helps with hiring and business, which in turn helps to enhance a company's overall reputation and brand image. A company can assess how well it is doing in terms of DIB via a free report card from DiversityInc<sup>32</sup>.

### 3.4. Summary: Why DIB Matters

We have covered a small sample of the reasons as to "why DIB matters". Catalyst has captured 39 reasons in the powerful graphic below<sup>33</sup>, apart from being the right thing to do. The list of benefits in the graphic represent findings drawn from extensive global studies that positively connect diversity and business.

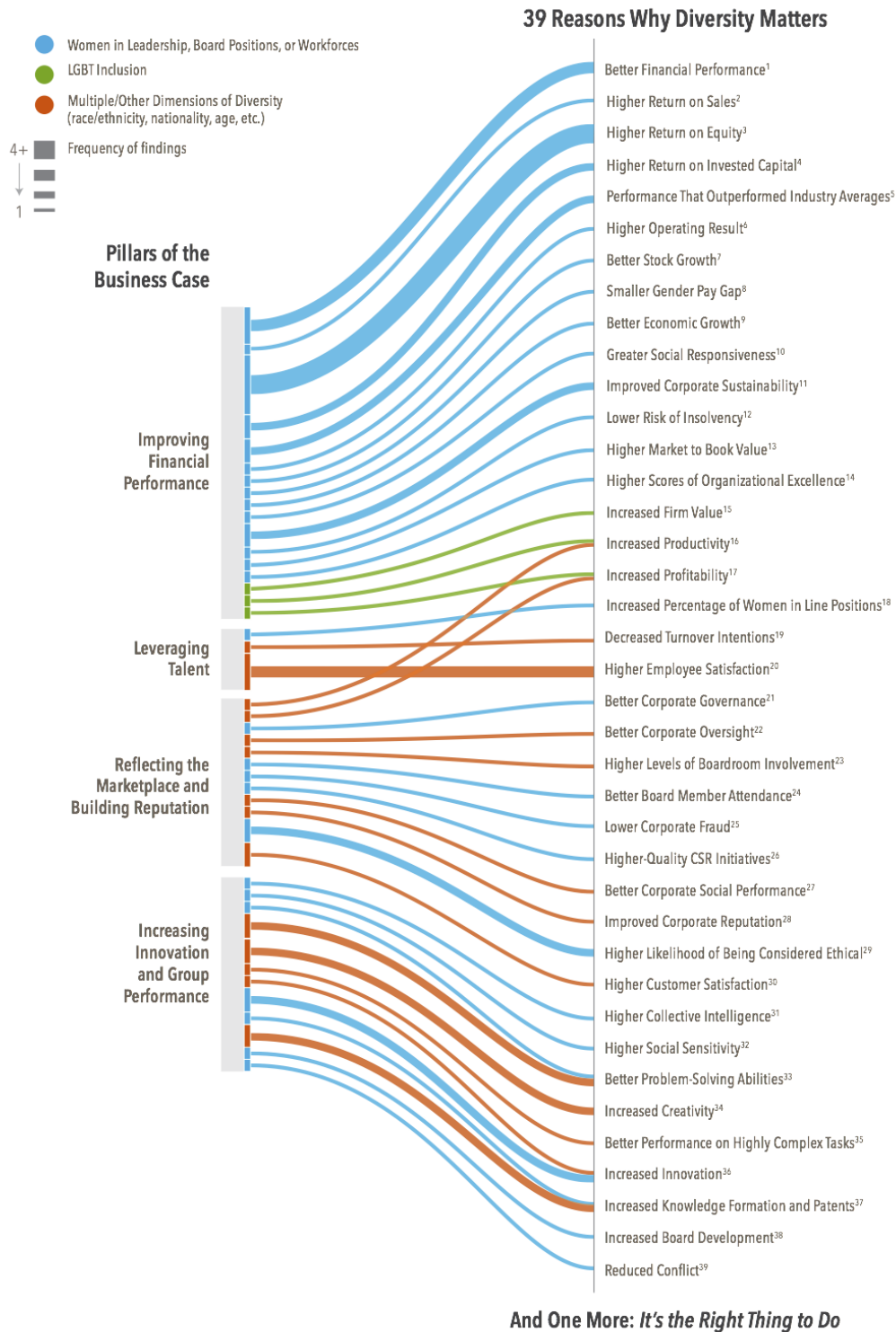
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<sup>30</sup> (2016, March 8). Gender Forward Pioneer Index: World's Most Reputable Companies .... Retrieved April 26, 2019, <https://www.webershandwick.com/news/gender-forward-pioneer-index-most-reputable-companies-have-more-senior-women/>

<sup>31</sup> (n.d.). Board Diversity and Corporate Social Responsibility - Springer Link. Retrieved April 26, 2019, from <https://link.springer.com/article/10.1007/s10551-014-2343-0>

<sup>32</sup> (2019, April 10). About the DiversityInc Top 50 Process - DiversityInc. Retrieved April 26, 2019, from <https://www.diversityinc.com/about-the-diversityinc-top-50-process/>

<sup>33</sup> (n.d.). Infographic: Diversity Matters - Catalyst. Retrieved April 26, 2019, from <https://www.catalyst.org/research/infographic-diversity-matters/>



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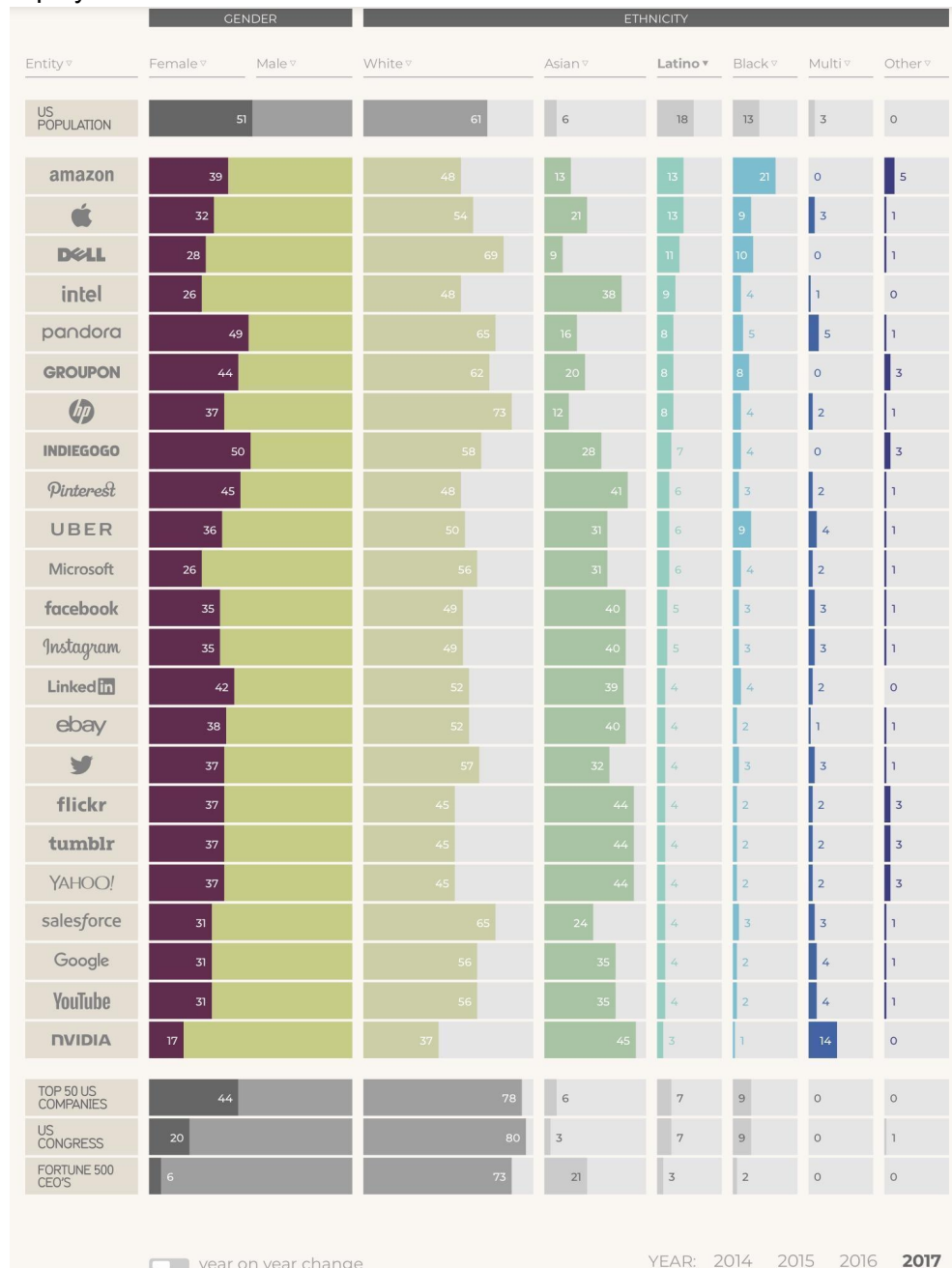
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 catalyst.org

**Figure: Reasons Why DIB Matters**



## 4. DIB: Where are we now?

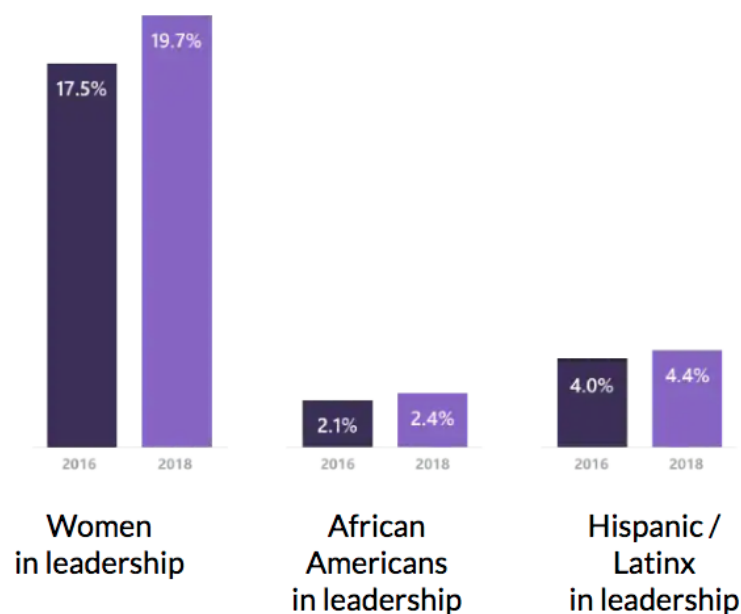
High tech companies are mostly more diverse than the average of the top 50 US companies, but nowhere near as diverse as the US population. They do better on gender than on race, but even so there is a wide variance. It's noticeable that the companies with the largest numbers of Black and Latinx employees are also the companies with the largest numbers of retail and other low paid employees in the US.



**Figure: 2017 Diversity figures for the tech industry, with comparisons<sup>34</sup>**

<sup>34</sup> "Diversity in Tech — Information is Beautiful." <https://informationisbeautiful.net/visualizations/diversity-in-tech/>..

Companies recognize diversity as an issue of importance and are trying to improve, but progress is slow.



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**Figure: Companies show firm commitment, but slow progress**

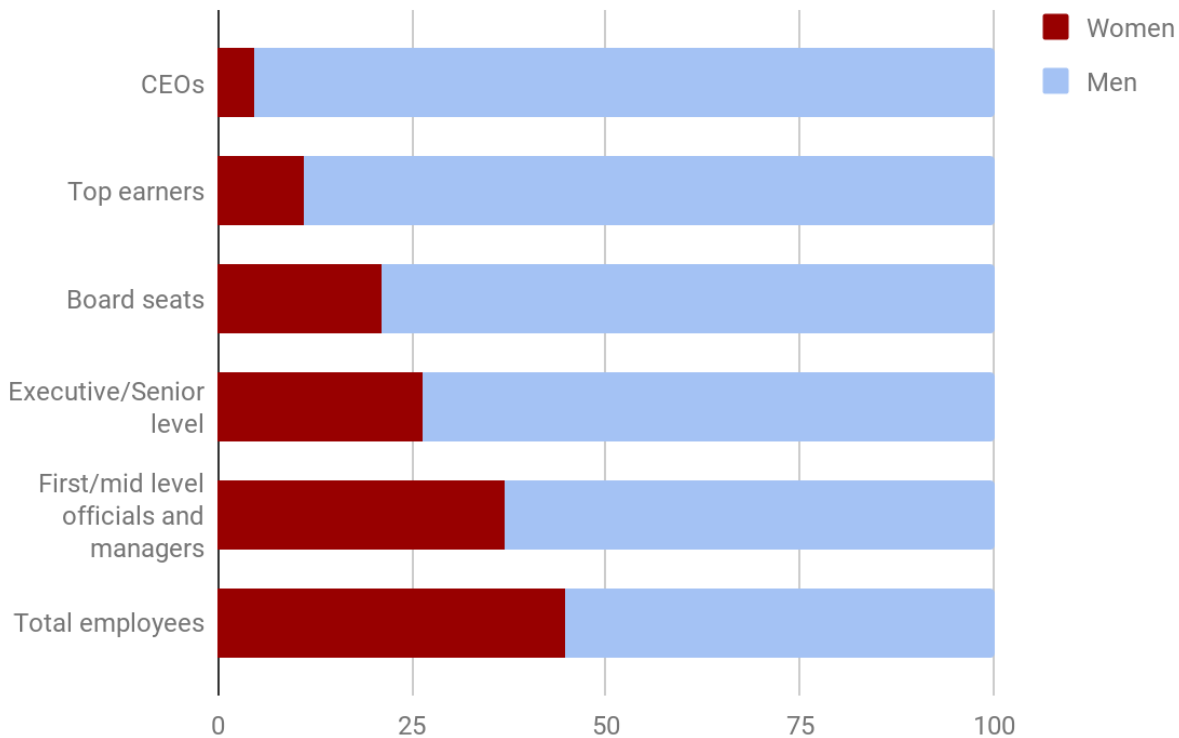
Microsoft emphasizes its commitment to diversity, but even with strong corporate support, they've struggled to make progress in representation.

Google's improvements for 2018 are similar, showing an improvement of 4.7% for women in leadership, 0.5% for Black leadership and 0.1% for Latinx leadership<sup>36</sup>, with 2018 numbers of 25.5%, 2.0%, and 1.8% respectively.

<sup>35</sup> "Global Diversity and Inclusion Home - Microsoft." <https://www.microsoft.com/en-us/diversity/default.aspx>. Accessed 26 Apr. 2019.

<sup>36</sup> "01 GOOGLE DIVERSITY ANNUAL REPORT 2018." [https://diversity.google/static/pdf/Google\\_Diversity\\_annual\\_report\\_2018.pdf](https://diversity.google/static/pdf/Google_Diversity_annual_report_2018.pdf). Accessed 27 Apr. 2019.





**Figure: Gender balance at S&P 500 Companies, by rank**

In S&P 500 companies, gender balance is relatively good among all employees, but gets dramatically worse in higher ranks<sup>37</sup>. This is frequently known as the “leaky pipeline” problem -- the beginning of the pipeline is diverse, but the women and minorities leak out before they get to the top.

This leads to a situation where only two companies in the Fortune 500 have both a female CEO and a female CFO.<sup>38</sup> That’s far short of the kind of representation that’s needed to move beyond diversity and reach inclusion.

<sup>37</sup> "Pyramid: Women in S&P 500 Companies - Catalyst." 16 Jan. 2019, <https://www.catalyst.org/research/women-in-sp-500-companies/>. Accessed 26 Apr. 2019.

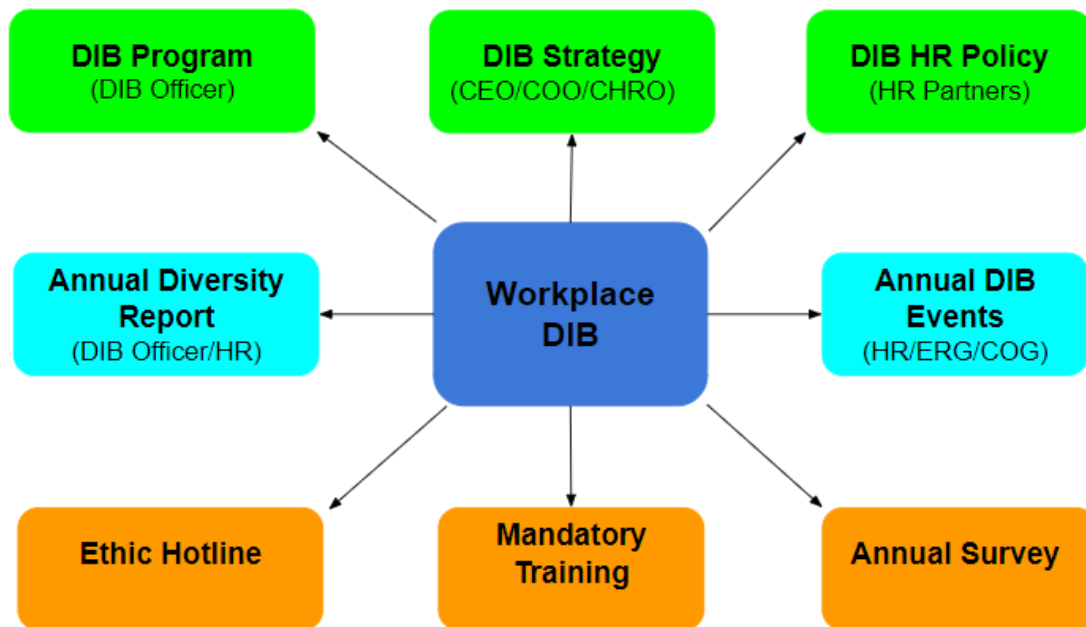
<sup>38</sup> "GM will soon have a female CFO and CEO. That's rare - Business." 13 Jun. 2018, <https://money.cnn.com/2018/06/13/news/companies/gm-woman-ceo-cfo/index.html>. Accessed 26 Apr. 2019.

## 5. DIB Industry Landscape

### 5.1. Workplace DIB Ecosystem and Current Industry Landscape

Diversity, inclusion and belonging should be not only an HR program but also a top-to-bottom business strategy.<sup>39</sup>

The figure below shows a typical workplace DIB ecosystem framework.



**Figure: Typical DIB ecosystem**

A corporate DIB strategy is normally created at the CEO / COO / CHRO level. A top executive is assigned as the DIB officer to lead and sponsor the program. The DIB officer and HR department work together to create behavioral policy and hold leaders accountable for results. They are also responsible for integrating DIB into recruitment, performance management, leadership assessment, and training. Employee networks, e.g. employee resource groups (ERGs) and community outreach groups (COGs) are created to organize annual DIB events.

In the current workplace DIB ecosystem, the key players are still within corporate top management, HR, and employee networks. A Forbes Insights insider survey<sup>40</sup> found that responsibility for success of company's diversity and inclusion efforts lies with senior management. Over 70% of companies report that C-level and their board of directors play a critical role. 35% of people even feel ultimate accountability lies directly with the CEO.

On the other hand, the annual survey, mandatory training and ethics hotline services were provided by external players from the following industries:

<sup>39</sup> (2015, December 7). Why Diversity and Inclusion Has Become a Business Priority – Josh Bersin .... Retrieved April 26, 2019, from <https://joshbersin.com/2015/12/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/>

<sup>40</sup> (n.d.). Fostering Innovation Through a Diverse Workforce - Forbes. Retrieved April 26, 2019, from [https://images.forbes.com/forbesinsights/StudyPDFs/Innovation\\_Through\\_Diversity.pdf](https://images.forbes.com/forbesinsights/StudyPDFs/Innovation_Through_Diversity.pdf)

- 1) corporate training industry
- 2) HR industry
- 3) consulting industry

In the corporate training industry landscape, DIB training is considered to be under the compliance category. This implies that many companies' HR departments still treat DIB training as a checkbox or legal compliance item.<sup>41</sup> In the HR technology industry landscape<sup>42</sup>, annual surveys were in the employee engagement section. Culture Amp, with more than 2000 customers, is the leader in this area. It started working on DIB related survey in the past year. The ethics management service is provided by companies (e.g. NAVEX Global) from the consulting industry. Diversity and inclusion related ethics matters are addressed by these players. These 3 types of external players are key elements of the current emerging DIB industry landscape.



**Figure: Current DIB Industry Landscape**

<sup>41</sup> (n.d.). Diversity and Inclusions Compliance - Training Industry. Retrieved Nov.19, 2018, from <https://trainingindustry.com/wiki/compliance/diversity-and-inclusion-di/>

<sup>42</sup> (2017, March 22). 10. Today's HR tech landscape – Silicon & Salsa – Medium. Retrieved April 26, 2019, from <https://medium.com/salsa-silicon/10-todays-hr-tech-landscape-a910ab0a1d4f>

## 5.2. Current DIB Methods are Ineffective

The table below summarizes current DIB methods, solution providers and limitations.

Methods	Solution Providers	Limitations
Mandatory Training	HR & Consulting Firms	Poor engagement
Annual DIB Event	HR & ERG	Low frequency
Ethics Hotline	NAVEX Global	Low utilization
Annual Survey	Culture Amp	Late feedback
Annual Diversity Report	HR & Diversity Officer	Incomplete DIB Index

Mandatory training is the most common way that companies attempt to improve workplace DIB. But the effectiveness of such training programs is not proven. Some studies show that diversity training is ineffective and even might actually lead to backlash. Many managers are not fully engaged in the training.

An annual diversity and inclusion event is also a commonly used method. It could serve as a reminder of corporate commitment to this program, but a once per year event won't help build an inclusive culture.

An Ethics and Compliance Hotline is also widely used to help organizations protect their people from workplace ethics related misconducts. Although this kind of hotline is managed by an external service and anonymous, most employees rarely use it to report DIB issues.

An annual employee survey is most widely used to evaluate how everyone feels about their workplace. While a survey is very valuable to understanding employee sentiment, it only works well with proper design, execution, and analysis. An annual survey can't provide timely response. Too frequent surveys can also cause survey fatigue and therefore lower participation rates. Moreover, many employees distrust their employers on these kinds of sensitive questions.

More and more companies are publishing annual diversity reports. It is an excellent first step to show corporate commitment to improve workplace DIB. However, a diversity report itself can't measure employees' senses of inclusion and belonging, which matter most in DIB.

## 5.3. Future DIB Industry Landscape

Diversity, Inclusion and Belonging need to be driving forces of future business success.

An inclusive environment that values diversity will create stronger organizations that are more likely to succeed. The idea of diversity and inclusion has permeated the world of business. Everyone seems to be talking about it in the context of establishing a society where traditionally underrepresented groups get their fair share of opportunities. As the world moves ahead, the workplace will evolve — not just in terms of technological revolution, but also in terms of its human composition. Over a third of today's workforce — more than 56 million people — is of the

millennial and post-millennial generation, or Generation Z. By 2025, this group will make up nearly 75% of the workforce. Only once we wrap our heads around these staggering numbers will it make sense to examine the impact that this largest (and growing) segment will have on the future workplace, especially in the realm of diversity and inclusion.<sup>43 44</sup>

DIB involves human emotional quotients, and it cannot be solved by companies in silos or just by technologies. The future seems to be inclined towards solving this problem with the combination of both technology and human intelligence, as described in the subsections below.<sup>45</sup>

### 5.3.1. DIB Catalyst

Organizations need to create DIB champions and catalyst groups to drive DIB within a company, and all employees need to play a part in the DIB journey, helping to create an environment where everyone feels heard, respected and valued. For example:

- Start from top-executive-level sponsorship
  - Create guidelines for senior leadership with measurable goals
  - Set the tone through inclusive behaviors
  - Measure inclusion via company-wide inclusion surveys
- Embedding in company DNA
  - Build on D&I commitment
  - Equip managers with inclusive leadership actions
  - Diverse and inclusive mindset as part of doing business and not an add on
- Create DIB groups
  - Global employee-driven groups to promote inclusive culture, and open for anyone to participate
  - Designed to help grow as leaders, engage with different communities and drive business impact
  - DIB events to provide inputs into benefits / policies, including parental leave, military leave, gender transition guidelines and benefits for same-sex couples.

### 5.3.2. Listening and Learning

Companies need to be committed to ongoing education, listening tours and finding new opportunities to empower employees to lead with inclusive behaviour and block unconscious bias. All groups (technical, social, cultural, ERGs, etc.) within an organization need to listen to each other's issues and experiences, and learn from each other. This can be driven by the following:

- Unconscious Bias Education
  - Use technology and research to block bias in the workplace
  - Learn to focus on behavior changes to make real change

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<sup>43</sup> (2019, January 8). Diversity and Inclusion are Driving Force of Future of ... - Entrepreneur. Retrieved April 27, 2019, from <https://www.entrepreneur.com/article/325956>

<sup>44</sup> (2018, May 9). Diversity And Inclusion Matters To The Workforce Of The Future - Forbes. Retrieved April 27, 2019, from <https://www.forbes.com/sites/forbeshumanresourcescouncil/2018/05/09/diversity-and-inclusion-matters-to-the-workforce-of-the-future/>

<sup>45</sup> (n.d.). Diversity and Inclusion - VMware. Retrieved April 27, 2019, from <https://www.vmware.com/company/diversity.html>

- Measure how many employees and managers took voluntary trainings
- Gender-focused leadership development
  - Empower non-conforming individuals to be change agents
  - Measure participation
  - Share stories of belonging
  - Encourage leaders to share personal stories to help connect with people more closely
  - Share stories around what belonging means to the leaders and how they bring their authentic selves to work.
  - Can be part of the group DIB social events.

### 5.3.3. Automation and representation

An organization needs to have representation across all diversity segments (ethnicity, gender, skill-sets, age, etc.), which can be monitored and driven in an automated way through technology. For instance, Humu is trying to use its “Nudge” technology to drive inclusion via short, realtime interventions.

Automation is also being used to do data collection and from there machine learning, to allow companies to understand the state of diversity in their organizations and across industries.

### 5.3.4. Data-driven Hiring

Using technology, companies can compare the diversity of new hires to the diversity of their current workforce and find opportunities to improve the hiring process in an automated way. Companies can for example be committed to ensure at least one woman or one underrepresented minority are interviewed as part of all final candidate slates.

- More diverse than current workforce
- Suggested process improvement
- Mandate and tied with goals

### 5.3.5. Automated Pay Equity

Companies need to be committed to ongoing pay equity review and publish the report publicly via the companies’ public DIB information portal. Pay equity review should happen in an automated way using technology.

- Automated pay equity review
- Global market consideration
- Racial and ethnic minority employees parity

### 5.3.6. Building Community

Each company needs to understand that they alone cannot solve all DIB related issues, and need to work with strategic external partners to build ecosystem and community, to create systemic change. For example:

- Women Transforming Technology Conference<sup>46</sup>





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<sup>46</sup> "Women Transforming Technology." <http://www.womentransformingtechnology.com/>. Accessed 27 Apr. 2019.

- A consortium of companies and organizations committed to building a support community to tackle issues that women face in the industry
- Women's Leadership Innovation Lab<sup>47</sup>
  - Partnering with academia like Stanford.
  - Company to invest / fund in women's leadership research at those academic centers
  - Bridging the gap between industry and academia
  - Accelerate combining research with practitioner insights

## 5.4. Emerging DIB Solutions

The table below captures some emerging DIB solutions<sup>48 49 50 51</sup> that are more data driven and real-time than traditional DIB solutions. As businesses start to get serious about improving the DIB culture within their workplace, they look to adopt solutions and technologies from emerging companies such as these.

New Players	Key Products Offerings
	<ul style="list-style-type: none"> <li>● Real Time Diagnostic Survey</li> <li>● Customized Nudge Action</li> </ul>
	<ul style="list-style-type: none"> <li>● Big data and AI analysis</li> <li>● Real Time Dashboard</li> </ul>
	<ul style="list-style-type: none"> <li>● Trend Analysis &amp; Tracking</li> <li>● Predictive Modeling</li> </ul>
	<ul style="list-style-type: none"> <li>● Specialized recruiting</li> <li>● Actionable analytics</li> </ul>

## 6. Recommendations

### 6.1. Data trumps opinion

When it comes to investing in DIB, good intentions and bold slogans are never enough. You need an objective data-driven approach of assessing where you are, analyze the intersectional data and related gaps, and most importantly, being intentional about how you want to change the landscape. While many companies have started realizing the importance of analytics, most times the data collection is very spotty and does not paint the full picture. To get a true sense of

<sup>47</sup> "Stanford VMware Women's Leadership ...." <https://womensleadership.stanford.edu/>. Accessed 27 Apr. 2019.

<sup>48</sup> Humu — Make work better. Retrieved April 27, 2019, from <https://humu.com/>

<sup>49</sup> Beaconforce. Retrieved April 27, 2019, from <https://beaconforce.com/>

<sup>50</sup> StatusToday. Retrieved April 27, 2019, from <https://www.statustoday.com/>

<sup>51</sup> Diverst. Retrieved April 27, 2019, from <https://diverst.com/>

your organization's effectiveness around DIB, you need to measure data in every phase of the employee lifecycle - sourcing, hiring, career growth and transformation, pay equity and most importantly, retention and turnover. It is especially important to capture data in areas where decisions are discretionary in nature, like promotions.

While it's easier to assess diversity data, inclusion and belonging are soft signals that are harder to quantify. Many times, when you dig deeper into the leaks in the diversity funnel, it will point towards inclusion and belonging related issues. And in that context, perception is a key factor that should be measured. To effectively measure perception, companies should invest in building creative, friendly, friction-free and always-on feedback platforms - that creates high-frequency and high-quality employee engagement. Doing trainings and surveys just once or twice a year, does not cut it.

Finally, just collecting data will not suffice. Socializing the data with the larger organization and acknowledging the gaps is a critical first step in fixing the issues. Transparency around diversity data in itself is a key step to building an inclusive workplace.

## 6.2. Diversity and Inclusion in Hiring

Many studies<sup>52</sup> show that a diverse executive team is great for business success. A popular theory is that when boards and executive teams reflect ethnic and gender diversity, they are able to better reflect their customer base, and hence build better products. Hence organizations should really prioritize diversifying the C-suite and the board.

Unless it's a specialized role, it does not make sense to make college degree a mandatory requirement. 68% of 25+ year olds in the US do not have a college degree, and so we would be penalizing a large section of potentially skilled workers by unnecessarily adding a degree as a requirement for roles that are not specialized.

Diversity in thinking is extremely powerful. Unless we are hiring assembly line workers, there is no point in looking for people who think and act alike. It's about time to stop asking "is this a candidate that I'd love to hang out with" (aka the "airport test" during interviews) and start asking "does this candidate bring a different skill to the table that will help uplift the organization".

Minorities-specialized college recruiting goes a long way. Coca-Cola is a great example for this. In the wake of a race discrimination suit<sup>53</sup> settled in 2000 for a record \$193 million, Coca-Cola started working specifically toward measurable goals for minorities. Today Coke is a different company, with 17 African-American women in VP roles and above, including CFO Kathy Waller.

## 6.3. Weave DIB into your culture

Diversity, Inclusion and Belonging need to become an inherent part of a company's culture, instead of just being an OKR (Objectives and Key Results) or goal. Leaders need to empathetically speak about why DIB matters to them.

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<sup>52</sup> (2018, January 18). Companies With Diverse Executive Teams Posted Bigger Profit .... Retrieved April 26, 2019, from <https://www.wsj.com/articles/companies-with-diverse-executive-teams-posted-bigger-profit-margins-study-shows-1516322484>

<sup>53</sup> (n.d.). Coca-Cola lawsuit (re racial discrimination .... Retrieved April 26, 2019, from <https://www.business-humanrights.org/en/coca-cola-lawsuit-re-racial-discrimination-in-usa>



Many times managers play safe and back away from taking intelligent risks with respect to hiring for diversity, because they worry about being reprimanded for a potentially bad hire. This needs to change. Leaders should encourage and celebrate intelligent risks.

Studies<sup>54</sup> also show that voluntary diversity programs are more effective and help identify true diversity champions, than top-down diversity goals or mandatory DIB trainings.

Pat Wadors, former Global Head for Talent at LinkedIn, who coined the term DIBs, suggests creating “belonging moments”<sup>55</sup> by making inclusive introductions, sharing personal stories and explicitly soliciting inputs during group meetings.

Overall, we still have a long way to go to create a truly diverse workplace, where the sense of inclusion and belonging is normalized. But it's highly encouraging to see both top-down and bottom-up changes happening in the right direction. Companies like Uber forcing executive leadership changes and making diversity data public, and companies like Google coming to terms with the pay equity gaps are positive signs. Intentional investments in building employee engagement platforms and thoughtful improvements to the hiring and retention lifecycle of employees will help in closing the leaks in the funnel.

When leaders genuinely internalize the need for DIB, and through empathetic leadership become the true DIB champions, they can directly influence building a stronger culture of diversity, inclusion and belonging within the workplace.

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<sup>54</sup> (n.d.). Why Diversity Programs Fail - Harvard Business Review. Retrieved April 27, 2019, from <https://hbr.org/2016/07/why-diversity-programs-fail>

<sup>55</sup> (2016, August 10). Diversity Efforts Fall Short Unless Employees Feel That They Belong. Retrieved April 27, 2019, from <https://hbr.org/2016/08/diversity-efforts-fall-short-unless-employees-feel-that-they-belong>