

# **Diversity, Equity, and Inclusion – Past, Present and Future**

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## **Introduction:**

Diversity, Equity, and Inclusion (DEI) are not new concepts then why have the efforts around these topics not been successful in making a sizeable change in our workplaces and society? There have been numerous studies conducted on the positive impacts of having a diverse workforce, providing them inclusive work environments where they can contribute openly and feel heard and creating systems that provide equitable opportunities to all, so what is missing?

This paper is set to explore the history of DEI, it goes on to discuss why DEI is important, where are we now in our DEI journey and where should we go from here. The paper provides steps that can be taken by leaders in organizations to create effective and sustainable DEI programs. I end with some of my life experiences around DEI efforts in my workplace and how technology can help in leveling the playing-field and make our DEI efforts successful.

## **History of Diversity, Equity, and Inclusion – The Past:**

Diversity is not a new notion. It came to light in the workplaces in the 1960's with the introduction of equal employment laws and affirmative action, the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and the Age Discrimination in Employment Act of 1967 all were geared towards creating a more diverse workplace (Williams S., 2020). As a result of the new laws, companies started diversity training programs to help employees learn and adjust to being in a more integrated work environment. Some companies also created lists outlining the do's and don'ts of being part of a diverse workforce. Companies had mandatory trainings and had employees fill out surveys and bias questionnaires, but these programs were ineffective. They didn't change employee behaviors or cultural norms within companies (Dong S.,2021).

What was needed along with Diversity was inclusion. Inclusion became the focus of organizations in the US in 2000s when organizations started to realize that only having a diverse pool of individuals is not going to be enough (Williams S., 2020). Inclusion and diversity go together. Diversity is created by hiring people from different backgrounds and creeds, inclusion is making sure they feel and are fully valued at your company (Love A., 2020). Inclusion means providing employees psychological safety within your organization, so they can bring their whole selves to work and are able to contribute ideas without the fear of being judged or ridiculed. Building an inclusive work environment requires a lot more work because to many of us inclusion is still an abstract concept.

The third and newest piece of the DEI puzzle is Equity that was added in 2015 (Williams S., 2020). "Equity is the process of just and fair consideration" (Love A., 2020). We are all familiar with equality, but equality and equity are different in that Equality means treating everyone the same whereas equity is providing everyone a means to achieve the same benefits in a just and fair manner. Equity is a means to achieve Equality (Love A., 2020). Because of it being new, it is just beginning to be the focus of many organizations.

## **Why is DEI Important?**

The narrative an organization creates around what is normal and what is acceptable is closely connected to who organizations hire and at what level, this means if majority of the leadership level roles in an organization are filled by white individuals, it sends a message that this group has the most potential to contribute to the organization at the highest levels (Cohen P., Gavett G., 2019). Unfortunately, getting individuals of color into those leadership roles is not as easy as it sounds. Even when economics and level of education are comparable, social capital or the networks people need to gain access to opportunities at the leadership levels are less available to individuals of color.

We have all heard and in the last few years, it has been proven through research that companies that are more diverse and inclusive not only have better operating results, but their shares also outperform those companies that are least diverse. In essence, companies that have diverse and inclusive cultures have a competitive advantage over their peers. Having a well-rounded workforce and providing them an environment to safely contribute their ideas have helped these companies create better products and be more innovative which has led to increase in sales and profits as concluded by The Wall Street Journal's research analyst (Holger D., 2019).

In addition to having better financial outcomes, better products, faster innovation, diverse and inclusive teams can help fight work from home burnout in today's remote work environment says Numly Inc.'s Madhukar Govindaraju. Companies with diverse cultures encourage diversity of thought and welcomes and accepts more viewpoints and perspectives which also leads to better products and being able to reach diverse customers says Advanced RPO's Jenne Hinrichsen (Forbes, 2021).

Effective creation and execution of DEI programs creates a sense of psychological safety which results in increased performance by employees. Employees feel included and contribute their ideas more fully and freely to their workplace. This in-turn translates to high-performing teams and positive coworker relationships. When employees feel connected to their coworkers and their work, they tend to work harder and are more fully committed to their companies. This results in higher employee morale and organizations are able to retain talent for longer periods (Forbes, 2021).

## **Where are we now in terms of Diversity, Equity, and Inclusion – The Present:**

The incident of Summer of 2020 fueled the #BlackLivesMatter movement and forced Americans to deeply consider the social injustices faced by racial minorities in our country. These social issues also prevail in our professional lives. These social movements have allowed employees in organizations to discuss the discrimination that they face in their daily lives and their workplaces. As a result, companies are taking a more deliberate and insightful look at their current DEI efforts and are rapidly expanding their DEI initiatives and programs.

The Evolution of DEI White Paper mentions the two impacts that the events of Summer 2020 had on DEI efforts, one it increased the pace at which DEI programs were expected to operate in.

Many organizations were working towards their DEI goals, but the events of Summer 2020 impacted the speed of change. The second impact mentioned in the article is the “appetite”, which meant that employees within organizations were seeking insight and guidance on the topics of DEI, instead of the DEI teams trying to find opportunities to educate the employees (Puvar D., Call E., pg.1, 2021).

According to many of the articles that were referenced for this paper the following themes emerged around the current efforts happening within organizations around DEI.

The first theme that emerged was that DEI initiatives are getting attention and prioritization. Companies are finding that the more Diverse and Inclusive they are, the better they perform financially as was shown by the findings of the Wall Street Journal research on corporate and individual companies in the S&P 500 index. The analysis showed that the best-performing companies were also the most diverse and Inclusive. The analysts created a scoring of 0 to 100 based on factors that included “the age and ethnicity of the company’s workforce, the percentage of women in leadership roles, whether the firm has diversity and inclusion programs in place for employees, and the makeup of the board”. The financial industry was the best performing sector with an average score of 50.4 followed by communication-services at 49.5 and then the consumer-staples sector at 48.8. According to Valeria Piani, sustainable-investing strategic engagement lead at UBS Asset Management “The bottom line is that companies that are able to attract and retain talent are going to be more successful financially over the long run” (Holger D., 2019).

Second theme was that Leadership is taking a genuine interest in DEI. In the past, one of the reasons for failure of many DEI efforts was that there was no commitment from senior levels. The theme that is emerging now is that executives are taking DEI efforts within their organizations seriously. According to research by Deloitte, when leaders change their behaviors around being inclusive, it can drive up to 70%-point difference in employees feeling highly included in their organizations. These feelings on inclusion have shown to improve perceived team performance by 17%, decision-making quality by 20% and collaboration by 29% (Bourke J., 2018), which all impacts the companies bottom-line. According to the October 2020 survey conducted by Fortune and Deloitte, 96% of CEO’s agreed that DEI is a personal strategic priority for them (Dong S., 2021). Many CEO’s and companies like Johnson & Johnson and Channel 4, the UK television company, have made D&I part of their business strategy and embedded it into the day-to-day organizational activities (Cox G., Lancefield D., 2021).

A third theme that is currently happening in organizations is the changing of Teams and Team structures. Instead of adding DEI as another “task” for the HR department to take on, many organizations are allocating funding and hiring for roles and positions in a DEI function. Organizations are also restructuring current DEI teams to create new leadership roles such as Chief Diversity Officer (CDO), which are either within the HR function with a dotted reporting to the CEO or are setup to report directly to the CEO. This in-turn is empowering the HR leaders and/or DEI leaders to make the necessary organizational changes to infuse DEI into their companies’ cultures (Puvar D., Call E., pg.4, 2021).

A fourth theme around DEI is that companies are having more and open conversations about DEI. According to the article in Society of Human Resource Management (SHRM), more companies are having an open discussion and dialogue about Diversity and racism. The hope here is that people will learn and understand the lived experiences of their colleagues and that will lead to more empathetic behaviors and eventually result in increasingly inclusive organizations. These conversations are happening in a formal and informal manner. Companies are building upon the frank, open and informal conversations by having formal dialogues with expert guest speakers, book clubs and websites with tools as well as traditional training programs around DEI (SHRM, 2020).

Many companies are making statements around social injustices, donating money to, and pledging support for movements around disparity in opportunities based on race, and making statements to change their organizations. This is a step in the right direction but for lasting change, organizations must re-evaluate their hiring, promoting, mentoring, and leading practices.

### **Where are we going – The Future:**

America is on a trajectory to be a minority, majority nation by mid-2040 (Mizrahi I., 2020). This means that we will have a very diverse population entering the workforce soon. Today we have five generations represented in the workforce within US. “Generation Z, who are born around 2000 to 2010 is entering the workforce now and 50%+ are non-white and idealistic. They are looking for an employer who has a positive impact on society” (Williams S., 2020).

With five generations in the workforce and the increased racial diversity of the US population, to remain competitive, companies need to focus on real sustainable change that can be made in all facets of diversity, equity, and inclusion (Williams S., 2020). The Wall Street Journal’s research shows that the best performing companies around DEI had a score of 50.4 out of 100 which indicates that we still have a lot of work to do around DEI (Holger D., 2019). Companies need to continue the efforts that they are doing presently but they need to be ready for the future and understand the environments demanded by the changing workforce.

### **What will help us get there - Steps for Leaders to take:**

Each organization has its own cultural norms, internal logic, and dynamics and that’s what makes organizations unique and complex. That’s why DEI can’t be a one-size-fits-all effort. The first step leaders need to take is to make sure they define what DEI means in their organizational context (Pedulla D., 2020). Companies need to decide how they will increase diversity, enable inclusion, and enhance equity in their organizational framework. Leaders need to understand how the systems of privilege and oppression work in the wider culture and then evaluate their own organization’s culture around privilege, oppressions, stereotypes, and assumptions and take the steps to understand the blind spots and learn how to correct and/or change them (Ely R., Thomas D., 2020).

The next step is for organizational leadership to build trust and embed DEI into the fabric and culture of the organizations. For employees from diverse backgrounds to stay within organizations, it is extremely important for them to have a workplace where they feel safe

expressing themselves. Organizations must take a holistic approach to diversity and go beyond the idea of demographic parity and embrace the concept of diversity of thinking, which includes educational and functional diversity and diversity of mental frameworks (Bourke J., 2018). Leaders can play an extremely important role in this by getting buy-in, creating trust, and enabling groups to have a level playing field.

Once trust is built within the organization around DEI, leaders must take the next step and empower middle managers by involving them in designing of the DEI programs so managers can provide input on what is going to work in the day-to-day operational environment of the organization. Having managers involved early on will increase buy-in and will make the implementation of the DEI programs go smoothly (Pedulla D., 2020). In this way the programs will be sustainable and impactful.

In addition to involving managers in designing DEI programs, leaders should understand that it is extremely important to provide diversity training in the form of leadership development and coaching to managers. When managers are provided coaching that includes both awareness and skills development, it can result in sustained behavior change. Such coaching provides managers the tools to enhance their relationships with their direct reports and builds the psychological safety which increases employee engagement and equitable decision-making processes (Cox G., Lancefield D., 2021).

Another very important step that leaders can take to build sustainable DEI practices is to set goals, collect data, measure progress overtime, and compare to other organizations within the same domain. As the article states “By collecting and analyzing data on diversity over time, comparing those numbers to the numbers at other organizations, and sharing them with key stakeholders, companies can increase accountability and transparency around diversity issues” (Pedulla D., 2020).

Once there is data around DEI, leaders can set measurable goals for managers and tie those goals to the manager’s own performance and progress assessment. In this manner each manager is held accountable for achieving their DEI goals. Leaders will have to provide managers with best practices around organizational development, talent development and other DEI resources along with a strong partnership with the CDO and Chief Human Resource Officer (CHRO) so the managers are setup to be successful in meeting those goals (Cox G., Lancefield D., 2021).

Transparency is another extremely important step that leaders need to focus on. Collecting the data and measuring it, will give leaders the tools to be transparent around the company’s DEI efforts both internally for employees and externally for customers and the public. The transparency efforts should be around the goals the company has set and the metrics that it measures. As the Chief Purpose officer at Deloitte, Kwasi Mitchell said, “it is important for organizations to show how DEI is embedded in the company’s core processes” (Maddox K., 2021) so employees and customers understand the importance DEI holds for the company.

Another important step towards DEI, that leaders must take is to reduce the impact of unconscious bias. It is unrealistic to think that unconscious bias can be completely removed from human behaviors, but companies can take concrete steps to minimize it by providing training,

raising awareness, providing people nudges to change behaviors for the positive and tracking the impact of these changes (Bourke J., 2018).

Although the above steps do not provide an exhaustive list, they give leaders a starting point towards establishing a foundation to build strong and sustainable DEI programs.

### **My perspective on how Technology can help – The Future:**

As an immigrant, a woman, and a person of color, I am extremely passionate about the subject of Diversity, Equity, and Inclusion. I have seen first-hand how it feels to be part of an organization and not belong. To be in meetings where I am the only woman or the only person of color at the table. I have also seen organizations make Diversity, Equity, and Inclusion as part of their strategic objectives and put measurable goals in place to make a change in culture, behaviors, and practices one day at a time. I am hopeful that with the renewed awareness around DEI and with the emergence of technologies focused on providing equal opportunities to all, we will see a shift towards a more diverse, inclusive and equitable society and organizations.

In my current organization, we recently implemented a technology called ‘namecoach’ that lets individuals add the pronunciation of their names to their email signatures so that we can all take the time to learn how to pronounce each other’s names. As names are extremely important to an individual’s identity, we believe this step will generate awareness and increase a sense of belonging for all employees.

Another technology that is being used by many organizations in their recruiting practices is called ‘knockri’ which was built on the premise to reduce bias in hiring practices so that all candidates were given equal opportunity and that organizations could hire diverse and high performing talent.

Technology alone is not going to be the answer, but leaders should be aware of and take stock of the technologies that are being utilized in their HR practices. Some technologies can reproduce or enhance biases, thus undermining the organizations DEI efforts. When technologies are paired with organizational policies, that’s when DEI initiatives will have lasting results.

### **Conclusion:**

Having individuals from all backgrounds and experiences and giving them a place where they belong, where they are respected, they feel heard, and they are given equitable opportunity to grow, and shine, is the organization that is set to excel. DEI efforts need to be championed by the CEO. Leaders must understand that progress will require a cultural overhaul. Changes need to be made not just in hiring practices, but the day-to-day operations of organizations so they are welcoming of diverse perspectives, opinions, and experiences. Change needs to happen in acknowledging people’s lived experiences, in making sure that managers are empowered to provide safe environments and have crucial conversations if and when needed. That equal opportunity is provided to all. That DEI success stories are acknowledged, celebrated, and shared within and outside of the organizations.

Leaders need to understand that DEI is a journey and not a destination. Every business decision made, must pass through the DEI lens. This will make DEI efforts be visible as the organizational culture transforms over time. This will ensure that DEI becomes not only about being and belonging, but also about translating diverse perspectives into innovation that advances the business in new ways. The journey likely won't be easy, but it can be critical to an organization's success in the coming years.

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