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WHITEPAPER

DEI: From Concept to Commitment

The essential guide to building a diverse, equitable and inclusive workplace

The evolution of the workplace often goes through seismic shifts, where businesses must boldly reimagine priorities and take decisive action to drive meaningful change and growth. One of today's most essential frontiers is Diversity, Equity and Inclusion (DEI). For companies that want to stay at the forefront of both ethical leadership and measurable financial and productivity benefits, DEI must move from a concept to a commitment. This primer provides the essential knowledge your organization needs to get started on the journey to a diverse, equitable and inclusive enterprise.



TALK VS. ACTION

Diversity, Equity and Inclusion is a concept companies have discussed at length for the past two decades. However, many companies have not been successful in making it an integral part of company culture. There is a serious disconnect in how companies talk about DEI and how it's actually implemented and measured that makes it a challenge to get right. A 2020 Accenture study revealed the gaps.

68% of leaders felt they create empowering environments where people feel a sense of belonging, but only 36% of employees agreed.

Despite optimism on the part of leadership, there are many gaps to be filled in the most common approaches to DEI. A survey of 804 HR professionals showed that most companies merely go through the motions of DEI initiatives rather than embed its values into the organization.

76%

of companies have no DEI goals.

75%

of companies do not include DEI in leadership development or overall training.

40%

of companies consider DEI work a method of mitigating risks.

There is little organizational benefit to companies that approach DEI as a box-ticking exercise. DEI is no longer an abstract goal, but a cornerstone of best business practice.





FROM D&I TO DEI

Many business leaders are struggling to discern how DEI differs from Diversity and Inclusion (D&I). Diversity addresses the myriad ways people can be different from each other, including race, gender, religion, disability, sexual orientation and other identity markers. Inclusion consists of the actions taken to develop a work environment where any employee or group of employees feel respected, valued and welcome.

The business case for Diversity and Inclusion has been firmly established, with more diverse companies benefiting from greater innovation and profitability. However, many business leaders are unclear on the definition and importance of equity.

ADDING EQUITY TO THE EQUATION

Equity elevates D&I by taking into account that individual differences must be acknowledged in a way that facilitates equal opportunity, access to resources and advancement for every employee. It addresses the many roadblocks that can keep people from fully participating in the workplace. To treat employees equitably often means providing extra support to some, as well as intentionally working to dismantle systemic barriers that limit potential.

It's easy to get stuck on D&I, because its results are simpler to quantify. Making it a goal to hire more people from certain groups is easy, but actually treating everyone equitably often requires major changes to address policies and processes from the ground up.



CORE DEI INITIATIVE AREAS

A comprehensive DEI program can't focus on just one dimension of diversity. Although your organization may focus on one area at a time as the program ramps up, it must eventually address the following core identity markers.

RACISM — According to a Business Insider survey, 42% of U.S. employees have experienced or witnessed racism at work. With so many employees reporting racism as an issue, it is clear that the issue is worthy of serious examination. DEI initiatives focused on racism tackle the complex work of acknowledging implicit racial bias and take strong action to mitigate it.

GENDER AND SEXUALITY — Discrimination based on gender continues to plague organizations. Despite many multi-year efforts to narrow the wage gap, women in the U.S. still earn only 82 cents for every dollar male counterparts make, with women of color experiencing an even greater gap at roughly 63 cents. Women often contend with a spectrum of workplace harassment, veiled and overt, and miss out on opportunities for advancement due to sexism. Sexuality is also grounds for frequent discrimination. Research shows that 46% of LGBTQ employees in the U.S. and 35% of employees in the U.K. hide their gender identity for fear of workplace discrimination.

DISABILITY AND NEURODIVERGENCE — Despite making up the largest minority group in the world and with a variety of different national laws meant to protect them, those with disabilities are still disproportionately unemployed. Corporate jobs where physical disabilities have no impact on a person's capability to do the work still discriminate against disabled individuals – largely due to the lack of disability and accommodations training for hiring managers.

Neurodivergent people such as those with autism are also underrepresented in employment with just 16% employed full time.

This is not a reflection of the capabilities and value to employers of adults with autism. In fact, there is strong evidence that teams solve problems faster when they are more cognitively diverse. Rather, this immense discrepancy in employment levels is largely due to hiring managers and other employees not receiving the training needed to understand and accommodate differences in communication, such as a lack of response to nonverbal cues or discomfort making eye contact.

AVOIDING THE TRAP OF “CULTURAL FIT” — One thing a robust DEI program should do is overhaul or eliminate the concept of “cultural fit hiring practices.” Research shows that humans typically prefer to work with those we perceive to be similar to ourselves, so “cultural fit” is often rooted in unconscious bias, specifically affinity bias.

By implementing a training program that enables employees to recognize and identify possible implicit biases on the basis of the four core DEI areas, companies may shift their hiring and promotion pipeline from one that preserves cultural sameness to one that recruits and promotes candidates based on how they might broaden the collective skillset, experience, and perspective, fostering higher levels of creativity and innovation.



WHAT DEI PROGRAMS ENCOMPASS

While in-person or online training on DEI topics is essential, it takes more than that to drive lasting change that truly benefits employees and the company as a whole. To stand the test of time, a successful DEI program utilizes the following four supports.

1

ADEQUATE RESOURCES — Embarking on any form of DEI initiative or full-scale program requires adequate resources to sustain the action over the long term. Financial resources are typically top of mind for those administering DEI programs, but companies have to allocate enough time and employee bandwidth to see programs through. Whenever possible, organizations need at least one role entirely dedicated to DEI and supporting employees throughout the program.

2

ONGOING RECOGNITION — DEI is not an event, and it must be treated as a core value if it is to have any real impact. That requires transparency throughout the program's implementation. Employees need opportunities to engage with initiatives, whether through periodic events or communications centered around DEI changes, challenges and wins.

3

ONGOING FEEDBACK — If employees are to engage, their voices must be heard. Surveys are a powerful tool for gathering data to inform decision-making, but they must be supplemented with more free-form opportunities to give feedback — such as round-table discussions or an always-open suggestion box. Most importantly, employees need to know how their feedback is shaping policy and driving organization-wide adoption of DEI values.

4

POLICY AUDITS & UPDATES — To avoid the common pitfall of merely going through the motions of DEI, companies must start with a thorough audit of policies that may be allowing discrimination and implicit bias to impact employees. Many organizations reevaluate hiring practices but fail to explore any further down the pipeline. When that happens, HR may get more diverse hires in the door and then find they don't perform as well as their peers due to policies that make it difficult to report discrimination and harder to access resources like mentorship.



DEI OWNERSHIP

Companies often struggle with the question of who owns DEI efforts. When planning for programs and initiatives, many leaders implement DEI training via their Human Resources team. We find that the most successful programs are focused on mindful, coordinated efforts from the following three departments.

1

THE C-SUITE

Commitment to DEI must come from the top. The CEO has to step off the sidelines and demonstrate buy-in from day one so that everyone in the company understands that the program is aligned with and supporting the organization's overall goals and values. The entire C-Suite must be willing to:

- Issue a formal statement
- Participate in the planning process
- Embark on their own learning journey alongside employees

The Chief Compliance Officer has a particularly influential role to play as a partner and ally. They can help embed DEI as a core value by building it directly into the code of conduct, demonstrating to employees and the public that your DEI initiatives are action-based rather than passive.

2

HUMAN RESOURCES

HR shoulders the majority of responsibility for the implementation of DEI programs. In many cases, it's HR who must do the bulk of planning the program, securing funding and rolling out new policies. In addition, HR must:

- Select and potentially administer trainings
- Ensure employee engagement
- Address pushback when it occurs

3

ESG AND CSR

Departments responsible for Environmental, social and governance (ESG) and corporate social responsibility (CSR) have a joint, overlapping role in an organization's DEI efforts. ESG is primarily concerned with telling the wider story of how the company is managing operations, environmental factors and governance structures to enhance business success.

- Collect and analyze DEI metrics
- Evaluate progress and impact on business

CSR is concerned with meeting and surpassing current standards for social responsibility as viewed by stakeholders and shareholders. When it comes to DEI, CSR must be able to:

- Identify goals and desired outcomes of the program
- Determine and communicate how the program meets these requirements

The exact interactions between each department will vary depending on the size and structure of the company, but success will always hinge on communication, coordination and collaboration between all three functions.

THE IMPORTANCE OF DEI DATA

One of the most significant challenges in DEI implementation is how to gather data. As we move toward a world where decisions are powered by metrics, many facilitators of DEI programs don't know what data to collect and what to do with it. As companies would in measuring the success of any program or campaign, it's best to start by identifying the desired program goals and outcomes. Once you have identified desired outcomes, you can pair it with a metric. The following four forms of metrics are the most common to start with.

1

RANKED METHOD

Ranked method metrics are qualitative measures tied to employee sentiment. They are formatted as single statements, with employees ranking how much they agree with the statement using a scale of 1 for "strongly disagree" to 5 for "strongly agree." Some examples of ranked method survey questions include:

- I believe my managers listen to me
- I have equal access to learning and growth opportunities here
- I can express disagreement without repercussions
- I feel I belong here
- I feel my opinions are respected

These answers help provide an overview of how employees feel regarding workplace DEI. This data provide valuable insight into how the initiatives are impacting the lived experiences of individuals within the organization.

2

PRODUCT OR SERVICE DEMAND

This quantitative metric is easy to track and provides a view of training compliance and "before and after" progress. Examples include:

- Percentage of employees who have completed a certain training course
- Percentage of physical accommodation requests fulfilled
- Percentage of gender-neutral or gender affirming restrooms
- Number of attendees at company-hosted DEI events

The goal of collecting these metrics is to demonstrate that actual changes are being made. These can be measured against ranked method metrics to determine whether the changes are having a positive impact on employee sentiment.



3

DEMOGRAPHIC

Demographics should be tracked, but not relied upon as a central success marker. Rather, they should be used to identify potential problem areas. The most common demographics to track include:

- Disability status
- Racial and ethnic identities
- Religious identities
- Gender and/or gender identity
- Age
- Nationality
- Education

Be thoughtful with the manner in which your company incorporates demographics and program success metrics into your DEI strategy. Data can be misinterpreted. For example, an increase in hires of people of color does not necessarily indicate that your DEI program is working as intended. A decrease in hire rates for people of color, however, is likely to be an indicator that a change in approach should be considered with regard to race-focused training or hiring policies.

4

CORRELATIONAL

These metrics, in combination with those above, shed significant light on the progress of a DEI program. Some examples to use include:

- Promotion offers
- Promotion rates
- Salary or pay rates
- Employment status (FTE/PTE/Contract/Etc.)
- Demographic representation by department
- Turnover rates
- Job-level representation

The key to leveraging metrics is consistency. When planning a DEI initiative or program, it's imperative to determine what metrics you are going to rely on and how often you will gather and analyze them. A strategic approach is key to collecting data, mining the data for actionable insights, and sharing your company's approach and commitment to DEI – providing employees, customers and stakeholders a clear portrait of the program's success.



FIVE BEST PRACTICES FOR DEI SUCCESS

Ensuring business continuity and resiliency requires the right mix of patience, process and agility. Through the pandemic, many companies have been in defensive mode, shoring up business lines through cost-cutting measures and controlling or reducing headcount. A successful path forward requires a proactive approach and the ability to adapt commercially. It's about making your business highly relevant to your customer and industry. Companies need to figure out how to adapt to new opportunities and grow in rapidly changing business environments.



LISTEN, HEAR, ACT, REPEAT

Leaders have to make sure DEI strategies are informed by actual employee needs, by gathering direct feedback on issues and barriers, evaluating possible solutions and taking action in an iterative process.



SET GOALS AND MEASURE CONSISTENTLY

Invest in benchmarking to ensure DEI progress is measured in a way that provides strategic value and facilitates the achievement of set goals.



EMPOWER HR

HR is not there just to develop and enforce rigid rules. The insight of HR professionals is key to asking the right questions and getting the most value from DEI discussions, so it's essential to expand their role to include consultancy.



CREATE ACCOUNTABILITY

In pursuit of DEI goals, predetermined accountability systems have a significant effect. Each role must know what they are responsible for, such as hiring managers being tasked with bringing in more interviews with diverse groups or operations leaders being charged with expanding the diversity of their supplier pool. Objectives can only be reached when each leader understands their role.



SECURE LEADERSHIP COMMITMENT

The vision for DEI must come directly from the CEO. They must communicate that vision and work to integrate DEI strategy into overall business strategy.



STRIDE FORWARD WITH SAI360

As a world leader in ethics and compliance learning, SAI360 is proud to partner with organizations like yours on the journey to implement effective DEI programs.

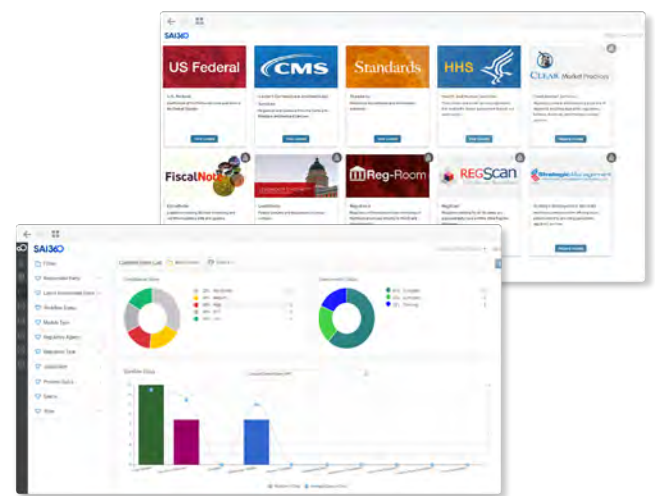
Our comprehensive solutions include highly customizable programs that cover key interconnected risk areas:

- Business Ethics & Corporate Culture
- Harassment & Discrimination Prevention
- Code of Conduct
- Workplace Issues
- Respect in the workplace

These solutions are made up of hundreds of learning experiences that we tailor to the needs of your business, and they connect directly with your policy manager through the SAI360 Integrated Risk Management platform to make policy development and deployment swift as well as simple.

If you are seeking an entry point to DEI learning for your employees, consider implementing our “Addressing Systemic Racism in the Workplace” training course.

Developed in partnership with the National Association of Black Compliance and Risk Management Professionals (NABCRMP), this course provides a history of systemic racism and its impacts in the workplace and discusses the benefits of promoting equity. It offers actionable insights such as examples of microaggressions and suggestions for individual strategies employees can use to foster sustainable behavioral change.



SAI360's suite of tools is built to help you design, deploy and enforce the DEI policies that underpin your mission. Contact SAI360 today to learn more about how we can support your DEI initiatives.



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About SAI360

SAI360 is a leading provider of Risk, Learning, EHS, and Sustainability software. Our cloud-first SAI360 platform contains flexible, scalable, and configurable modules for a better vantage point on risk management. Our unified approach to risk management is what sets us apart, helping organizations across the globe manage risk, create trust, and achieve business resilience for over 25 years.

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