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Hot Topics in Diversity, Equity and Inclusion: Examining Your DEI Strategy Three Years Later

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<div align="center">**Diversity, Equity, and Inclusion Programs**</div>

<div align="center">by Sarah J. Platt, Bonnie Levine, and Jimmy F. Robinson, Jr.[1]</div>

Like any corporate initiative, programs to promote diversity and inclusion (D&I, or DEI for "diversity, equity, and inclusion") benefit from informed analysis. As DEI rises on organizational priority lists, decision-makers have never before had access to so much information nor so many tools to process it. Predictably, then, employers turn to data analytics. It is objective, algorithmic, and quantifiable—what could go wrong? Indeed, data analytics often stand out as a helpful component, provided that employers utilize them with proper perspective and mindfulness.

I.   Recent Developments in DEI—The Drive to Quantify

As corporate consciousness progresses in this space, it is important to know where we stand currently, and to clarify what a DEI initiative is – and, by implication, what it is not. These preliminary preparations help clarify rationale and purpose at the outset, allowing organizations to view subsequent decisions through that lens.

No universally authoritative definition exists for "DEI." In the simplest sense, we can understand "diversity" to mean that a group contains individuals of different backgrounds; we can understand "inclusion" to mean that such individuals are engaged at all levels of the organization, feel valued, and have influence on decisions that affect them. Recently, many organizations also incorporate "E" into the acronym, standing for "equity," an acknowledgment that equal opportunity is only possible with acknowledgment and awareness of the inequalities inherent in any system.

Generally speaking, there are many rationales, grounded in academic research, for why DEI should be an area of focus. Many companies are "internally" motivated to establish DEI as company values, and "externally" motivated because customers demand it with increasing frequency. Additionally, a successful DEI program yields operational dividends: (1) tangible, positive impacts on company bottom line; (2) increased employee creativity and productivity; (3) boosts to workforce retention, development, and culture efforts; and (4) expansion into or deepening within new customer markets.

Attention to DEI has spiked further following George Floyd's death and the #BlackLivesMatter movement's response, which underscored the need for companies and individuals to be proactive in efforts to combat societal racism. The movement gave voice to many who had remained silent, giving rise to a strong and humbling response. Corporate statements promoting anti-racism followed promptly, many going further than ever before in acknowledging the need to do better.

Companies that had just resolved to do better then had to figure out how to execute on that intention. To do that, they had to turn inward to answer the question, "improve on what?" Practically speaking, the path to that answer begins with demographic data. Indeed, without delay, some of the biggest corporations announced their own statistics publicly, some setting

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numerical goals to hold themselves accountable. Should every organization follow this playbook? No. Cookie-cutter solutions are in a sense antithetical to the very concept of "DEI," as is rushing to wave a banner externally without careful consideration of the individuals under it. On the other hand, every organization has an opportunity to improve itself in this realm at this moment – and data analytics offer an important tool.

II.   Strategy

Metrics are most effectively positioned as a means of information gathering within a larger DEI initiative. Relying exclusively on metrics as the backbone of a DEI program could fail to advance the organizational goals, or even backfire. When they fail, it is often because a laser focus on "diversity" numbers distracts stakeholders from the "inclusion" component. Achieving diversity will be short-lived without a companion focus on factors such as employee engagement and psychological safety. Companies focused on analytics may wish to assess both qualitative and quantitative data. Companies may conduct employee surveys to gather data on equity and inclusion, in addition to considering workforce demographics. Further, if a company has its employees' support for DEI initiatives, employees are less likely to challenge those efforts. This can avoid many legal risks (described further in Section III below) that often come to pass as a result of employee-relations issues arising from a lack of inclusion and belonging. Incorporating metrics mindfully along with attention around inclusion that could make the difference between success and failure.

A.   Visioning

Effective DEI initiatives start with an awareness of how DEI fits into the overall goals of the business – making metrics part of this larger strategic plan helps the whole plan succeed. In a climate where DEI is in the news as a result of sudden and acute developments, there is a danger that the resulting actions will be reactionary and shortsighted. While DEI-minded companies can and should feel compelled to react to world events with moral courage and conviction, their DEI programs should reflect a calm, mindful, and intentional energy. Visioning is critical, and companies that have trouble articulating a rationale and purpose for a metrics-based strategy should think twice before doing it.

To varying degrees, all employers implementing DEI face employee skepticism – why is my employer doing this? Do they mean it? Are they just reacting to an event and trying to avoid being a target? Data can be manipulated and framed in many different ways. It is important that employers are thoughtful when presenting analytics and do so intentionally, clearly, with appropriate caveats, and not spun in the interest of an agenda. A properly framed set of analytics can enhance credibility.

Consider the concepts of "internal" and "external" motivation, both of which have roles to play in a successful DEI program. "Internal" motivation comes from a company's belief systems and values. "External" motivation comes from a feeling of obligation so as to avoid negative consequences. Rationales that seem solely externally motivated (e.g., we want to remain competitive, or we want to preempt criticism) may be ineffective if they seem disingenuous – though in some cases external motivators *require* metrics (e.g., pay equity reporting laws or contractual compliance representations). Organizations that struggle with achieving an authentic internally motivated vision may find that diversity metrics appeal to business leaders but not employees, and can offset that risk by including within the strategic plan other elements targeting

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