



## **THE STATE OF DIVERSITY, EQUITY, AND INCLUSION AMONG LEADING ORGANIZATIONS IN NORTH AMERICA**

# INTRODUCTION

Diversity, Equity, and Inclusion (DEI) in the workplace is of paramount importance in driving innovation, enhancing decision-making, and ensuring a rich mix of perspectives that reflect the diverse North American society. DEI is not only a compliance issue, nor even just a moral consideration; it is a business imperative that contributes significantly to organizational resilience, productivity, and growth.

“DEI” refers to:

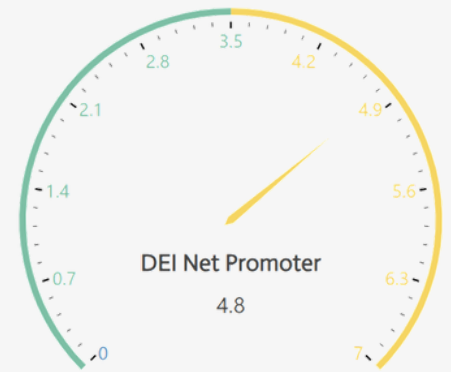
- **A diverse workforce** composed of individuals with different backgrounds, experiences and ideas encourages creative problem-solving and fosters an environment where all voices are heard and respected.
- **Equity** ensures fair treatment, equality of opportunity, and the elimination of barriers that could inhibit the participation of any individual. It offers every employee equal access to opportunities, resources, and career advancement.
- **Inclusion** nurtures a sense of belonging, where every employee feels valued, respected, and engaged, thereby enhancing job satisfaction, performance, and overall organizational success.

Over the past eighteen months, the Center for Human Capital Innovation (CHCI) has worked with numerous organizations across most industries and sectors, to survey tens of thousands of employees using our [DEI360 assessment tool](#). This article summarizes key insights and findings from this work, in the aggregate, based on employee feedback representing all workforce demographics across most occupations in North America.



# CURRENT DEI STATUS AND IDENTIFIED CHALLENGES

According to our most recent survey data, organizations have made laudable strides in fostering diverse and inclusive workplaces. Our “DEI Net Promoter” gauge registers **4.8 out of 7** on average, meaning that most employees would recommend their employers to friends or family as a good place to work from a DEI perspective.



In most cases, efforts in diversity and inclusion are recognized positively by a majority of the workforce across the organizations we have worked with over the past 18 months.

Nonetheless, our survey results also highlight challenges concerning the consistent application of rules and policies, equitable distribution of compensation, rewards, and benefits, and work accommodations in all of the organizations we've surveyed. Perceptions of unfairness, particularly among women and minority groups, underscore the need for urgent measures to address these issues.



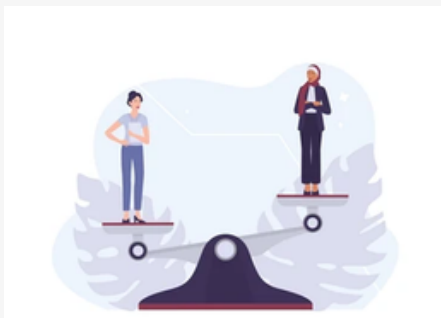
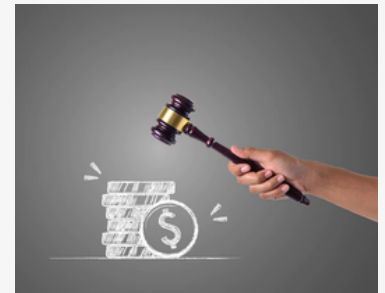
# DETAILED EXAMINATION OF THE COMMON CHALLENGES

In the aggregate, our surveys reveal consistently **lower diversity scores amongst Black, and non-Black POC (People of Color) respondents**, with near universal concerns raised around the diversity of management and executive teams. While in almost every survey the workforce itself scores high on diversity, there are evident areas of concern in the dimensions of equity and inclusion across the leadership ranks.



Nearly half of our respondents' express concerns about the **inconsistent enforcement of company policies**, with women, POCs, and individual contributors voicing the most dissatisfaction. This discrepancy signals a need to reassess and reinforce the consistent application of policies across organizations.

More than one-third of our respondents' express **concerns about unfair distribution of compensation, benefits, and work accommodations** based on one's role in the organization and/or one's supervisor, with higher dissatisfaction reported amongst African American respondents, women, and individual contributors.



A significant number of respondents feel that their organization's **reward system does not reflect their effort and contributions**. This perception of unfairness is particularly pronounced among minority groups, pointing to possible disparities in the distribution of rewards and recognition beyond compensation



# DETAILED EXAMINATION OF THE COMMON CHALLENGES

More than one-third of our surveyed workers among underrepresented groups and those who identify with two or more minority groups report that ***promotions and career advancement are not merit-based.***



In most organizations, there is a real or perceived ***lack of equal treatment when it comes to implementing company policies and rules.*** These concerns are expressed generally, across the workforce in many cases, but are even more pronounced amongst non-white respondents, hinting at a potential racial disparity in perceived workplace equity.

The DEI360 typically explores 21 aspects of workplace safety and belonging, of which six stand out as consistent issues. Employees express ***dissatisfaction over decision-making processes, transparency in rewards, the occurrence of microaggressions, and their ability to voice concerns.*** This dissatisfaction is particularly noticeable among Black respondents, who flag, on average, twice as many areas of concern, emphasizing a significant disparity in feelings of safety and belonging.



Across our surveys, the LGBTQ2SIA+ community and individuals who intersect multiple minority categories (gender, race & ethnicity, disability, and LGBTQ2SIA+ identity) report unique DEI challenges, and a ***level of satisfaction dramatically lower than the workforce overall.***

Our survey results also reveal frequent ***disparities in employee experiences based on work location and job role.*** In several organizations, employees who work predominantly on-site report feeling less secure from microaggressions, unfair application of the rules, and discrimination, than those who mostly work remotely.

# RECOMMENDATIONS FOR IMPROVEMENT

To address these challenges, organizations should embark on a **comprehensive review of their policies**, including potential disparities in the application of company rules and policies, access to learning and development, promotions, stretch assignments, and succession pools. One-on-one interviews, focus groups, and additional surveys can be used to investigate grievances and concerns raised in surveys, and to add qualitative context to quantitative survey data.

Organizations should investigate efforts to **improve diversity in the leadership ranks**, including talent acquisition processes from sourcing and screening to interviews and onboarding. Leaders should review their compensation and reward/recognition strategies, undertaking a thorough analysis of pay, benefit and reward distribution by role and gender.

**Work accommodation policies should be audited** to ensure that every employee has equal access to flexible work arrangements, for example. And, crucially, firms should provide additional training on workplace microaggressions, harassment and discrimination, as this alone could lead to significant improvements.

Organizations should **leverage data and analytics capabilities to measure and monitor their DEI initiatives** leading to targeted improvements. A well-crafted diversity talent acquisition plan with clear metrics and targets, and with goals linked to leaders' performance reviews can accelerate DEI progress while also improving the efficiency of initiatives and returns on investment.

Finally, a **transparent communication strategy** can foster an understanding of the company's DEI strategy and plans, its compensation, reward, and promotion philosophy, and policy changes, boosting employees' trust and engagement.

# SEVEN STEPS TO FOSTERING INCLUSIVE WORKPLACES

The organizations that CHCI works with to administer its DEI360 survey do not represent the average in North America. They are a self-selected group that is committed to improving organizational DEI. Yet even among this dedicated group, our survey findings reveal critical areas for improvement, particularly regarding equity and inclusion for women, members of the broader LGBTQIA+ community, other underrepresented groups, and those who straddle two or more minority groups.

By addressing these common issues, organizations can foster a more inclusive and equitable workplace that caters to the needs of all its employees. Doing so will almost certainly improve engagement, retention, and performance. Most organizations will benefit by implementing the following seven steps:

## STEP 1

Survey the workforce (and leaders) at least once per year.

## STEP 2

Share the results of surveys (anonymously and at a high level) with the workforce.

## STEP 3

Conduct DEI-related workshops, interviews, focus groups, and listening/discussion sessions to discuss and expand on survey results; to explore employee experiences in greater depth, and to enhance understanding of exclusion, discrimination, and ways to manage DEI sensitivities.

## STEP 4

Systematically address issues raised in surveys, training and listening sessions. Produce a plan of action that includes anticipated interventions, initiatives, and goals. Share it with the workforce and leaders, ask for feedback, and make any necessary revisions.

## STEP 5

Devise key metrics and implement a rigorous data collection system for DEI.

## STEP 6

Execute your plan. Engage employees and leaders, especially employee resource groups and similar networks to promote your initiatives at all levels of the company.

## STEP 7

Carefully track your progress. Analyze DEI data to adjust and improve your initiatives.



***Would you like to learn more about creating an inclusive work culture through data-driven metrics?***



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