

DIVERSITY, EQUITY, INCLUSION

MOVING FROM WISHFUL THINKING
TO ORGANIZATIONAL ACTION

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DIVERSITY, EQUITY, AND INCLUSION: WHAT IS IT?

Diversity, equity, and inclusion (DE&I): What is it? Diversity is centered around who is represented in the organization – i.e., gender, age, ethnicity, physical ability, and neurodiversity. Equity is the idea that everyone is treated fairly, with policies, practices and cultural norms allowing all employees to grow and thrive. Lastly, inclusion is when organizations embrace all employees and allow them to make contributions (What Is Diversity, Equity, and Inclusion?, 2022). Simply put, DE&I is when organizations acknowledge their employees, create an environment for everyone to succeed, and allow them to be a part of the growth by offering thoughts and opinions that are heard.

The concept of DE&I is not new. It grew from the 1960s Civil Rights Movement and has expanded to include other identities, shifting from focuses of tolerance to true diversity, born from the idea that the work cannot exist in a vacuum. Throughout history, there have been instances of dominant and nondominant groups, determined by social standards, that are developed based on the differences between us as individuals. By acknowledging this, we can identify ways to explore these differences to be more efficient, accepting, and compassionate as both people and organizations (Allen, 2011). For organizations to be truly inclusive, there needs to be buy-in from everyone (Beavers, 2018).



CURRENT STATE OF DE&I IN ORGANIZATIONS

In 2022, Fortune 500 companies represented 63% of the United States' total GDP, with a record 16.1 trillion in revenue (Fortune Editors, 2023). These companies employ millions of individuals worldwide and are considered industry leaders. And yet, we can see the chasm that still exists in their diversity. In July of 2022, there were just six Black CEOs - an all-time high for the list. It was also the first time a Black founder was featured on the list and just the second year that two Black women led a Fortune 500 company (AboveBoard, 2022). The advance of Black individuals is a cause for celebration when you consider the history of the Fortune 500 list, predominantly male and white. However, as quoted from a Deloitte report, Fortune shares, "If the CEO makeup of the Fortune 500 was reflective of U.S. demographics, there would be more than 65 Black CEOs (13.5%) leading America's largest public companies, compared to the current state of around 1.2%" (AboveBoard, para. 8, 2022).

Looking at female CEOs, we will find another all-time high with 44 women, or 8.8%, leading a Fortune 500 company. In a 2019 study by the Boston Consulting Group (BCG), they found that only three of the Fortune 500 CEOs were openly gay, and only one was lesbian (Krentz et al., 2021). This posits that there is still work to be done and much that can be improved.

Race, gender, gender identity, and sexual orientation have continuously dictated an individual's placement in power structures in society and organizations (Allen, 1996). These systems have been in place in the United States for decades, and many factors contribute to their longevity, which reiterates the small celebration of forward progress.

Having a board that is gender, racially, and ethnically diverse is no longer a forward-thinking concept. The summer of 2020 proved to be a tipping point for organizations, and by bringing power imbalances to the forefront, it forced some organizations to alter their composition. But despite this increased focus on diversity, research by Deloitte found that there is an overreliance on Black board members, with two out of five serving on multiple Fortune 500 boards. The same research also found that for each minority

QUICK STATS

DE&I STATISTICS OF FORTUNE 500 COMPANIES

63%

The percentage that Fortune 500 companies make up of the United States' total GDP

6

The number of Black CEO's of Fortune 500 companies in 2022.

44

The number of female CEO's of Fortune 500 companies in 2022.

3

The number of Fortune 500 CEO's that are openly gay in 2022.

OTHER DE&I STATISTICS

75%

The percentage of companies that have diversity program.

\$8 Billion

The amount spent annually on diversity & inclusion training

55%

The number of employees that still report experiencing discrimination, despite DE&I training



woman who gained a seat on a board, white women held three seats (AboveBoard, 2022).

While Fortune 500 companies make up a significant percentage of the annual GDP, they are a small sample of total companies in the United States. Understanding the homogeneity of leadership on that level can indicate some of the problems at lower-level companies. Including those other organizations into the scope of employee diversity and organizational composition, we glean some of the company policies and obstacles people might face in their organizations.

Up to 75% of companies have diversity programs (Novacek et al., 2021), but a Harvard Business Review published in 2019 found that 75% of underrepresented groups do not feel any personal benefit from DE&I policies in the workplace (Stovall & Clark, 2022). This tells us that it is likely these organizations do not even know why they have DE&I policies beyond a compliance mandate. The same study by Novacek et al. also found that the U.S. spends \$8 billion annually on diversity and inclusion training, but up to 55% of employees still report experiencing discrimination (2021). Those statistics and the homogeneity of leadership also point to a more significant issue - the discussions and decisions around what DE&I work means often do not include those who will benefit from it the most. When intentional, this discursive closure is even more damaging.

Dictating who is excluded from the conversation is critical in maintaining power. The executive leaders, predominantly white men, that are the decision-makers when investing in diversity and starting initiatives often do not understand the more significant problems or where those problems lie.

Problems with diversity can be broken down into four areas according to BCG: recruiting, retention, advancement, and leadership commitment (Krentz et al., 2021). These four areas represent the full cycle of employment. According to the Krentz et al. research, many leaders, especially white men above the age of 45, think the most difficult diversity area to address is recruitment (2021). However, women, employees that are racially and ethnically diverse, and LGBTQ employees see different obstacles to diversity and inclusion in their companies, which gives significance to the other three areas.

It's not an unusual practice for Human Resources departments to treat their anti-discrimination policy like a compliance requirement. Something that is drafted by a lawyer and then unvisited again. "According to the Human Rights Campaign (HRC), almost half of LGBTQ workers believe that even if an anti-discrimination policy is in effect, it won't be enforced if their own supervisor is not supportive of the LGBTQ community. As a result, many employees in this group are reluctant to report issues" (As cited in Krentz et al., para. 19, 2021).

A CHANGING WORLD

WHY ORGANIZATIONS NEED TO IMPLEMENT & STRENGTHEN DIVERSITY, EQUITY & INCLUSION

We live in a diverse society, and that is not a new thing. What is newer is the allowance of more groups that were previously excluded from participating in the workforce. That means it's time for the diversity of the workplace to catch up to the diversity of our society. According to Deloitte, "By 2024, less than 60% of the U.S. labor force is expected to be defined as "white non-Hispanic" (As cited in Heaslip, 2022). Previously, over 75% of the workforce fell into that category.

- Considering the growth of minorities in the workplace, here are several other statistics that illustrate the need for stronger DE&I initiatives:
- According to a McKinsey study, for every 100 men that were promoted to a management position, only 85 women were promoted, and women of color saw even lower promotions - 58 Black women and 71 Latinas (As cited in Heaslip, 2022).
- The same McKinsey study found that companies that had greater than 30% of female executives

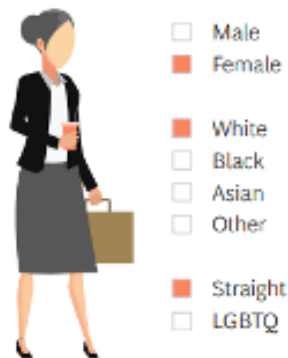
were more likely to outperform those that had just 10%-30% (As cited in Heaslip, 2022).

- According to the U.S. Bureau of Labor Statistics, Black women made up over half of the Black labor force in 2018 (As cited in Heaslip, 2022).
- Glassdoor found that nearly 70% of active and passive job seekers evaluate the diversity of a company's workforce before applying or accepting an offer. They also found that 57% of employees think more diversity is needed within their organizations (As cited in Heaslip, 2022).

Individuals do not have a single identity - we are all a multiplicity of identities. Recognizing this, the implementation of DE&I initiatives in the workplace are a benefit to everyone. In a traditional approach to DE&I, individuals would fall into a few specific segments, but in reality, employees have a variety of needs that impact their work life. This is illustrated in the graphic below:

Traditional approach to DEI

Jane falls into a few specific segments



Reality of employees

Jane has varying needs that affect her job experience, performance, and satisfaction



It is also important to note that needs can, and likely will, differ over time. A recent and young college graduate will have differing needs from an executive that is decades into their career. This idea is illustrated below.

This is because, as we grow and develop, we group ourselves within different social categories like age, gender, sexual orientation, race, and more (Tajfel & Turner, 1985, as cited in Ashforth & Mael, 1989). We

as people want to be individuals, but we also have the desire to belong (Jablin, 2018, as cited in Allen, 1996). This leads us to accept the idea of categorized social identities, essentially dominant and nondominant groups that generate senses of privilege, control, and prejudice (Allen, 2011). These categories are often the primary reason most rights moments and movements occur, which lays the foundation for DE&I communication and culture in organizations.

Traditional segmentation

Jane falls into one segment



WOMAN

- Profile: Female, likely to be the primary parent in the future
- Benefits that should be

Needs-based employee segmentation

Jane's needs change as her employee journey and life circumstances evolve



YOUNG AND EAGER

- Context: Just starting her career, lots of ambition



RISING STAR

- Context: Part of a dual-career household, finding management style



EXECUTIVE LEADER

- Context: Mom, rare extrovert on executive team during the COVID-19 crisis

LESS TALK, MORE ACTION

RECOMMENDATIONS FOR IMPLEMENTING DEI PROGRAMS IN AN ORGANIZATION

We know we need to adopt and encourage DE&I within the workplace, but how? It starts with knowing your why. Before an organization can start this work, they have to determine why it matters to them. It will look slightly different for every organization, which is okay.

Knowing your employees is the next critical step to successfully implementing DE&I in the workplace. Find ways to capture data that helps paint a picture of how your employees identify themselves and their needs, which will help show common trends and

bring awareness to areas of concern (JOSSO 2 by Atricle, n.d.). This data collection can have a variety of considerations, such as bias in the workplace, compensation, and more. Millan Data Science Strategies recommends the consideration of reliability, validity, and bias when administering any employee assessments to ensure the methods used are scientifically sound and fair (2022).

Then, focus on what Goldstein (2022) writes for McKinsey & Company on identifying the “moments that matter.” Instead of thinking of DE&I at every moment

of the day, identify critical moments that will affect DE&I in the organization, like candidate interviews, onboarding, employee evaluations, career progression, and exiting. Look for those unexpected and sometimes hidden “gems” - the measures that matter to employees and are often overlooked by leadership. From there, Goldstein says that your program should be scalable, based on theory, easily measurable, and sustainable.

At the center of a successful DE&I program, though, is communication. How can anyone expect to bolster inclusivity in the workplace if they don't know what is and is not helpful? That is where communication practices come in. Successfully communicating goals, programs, and initiatives helps educate employees to adopt inclusive attitudes. Plus, it gives individual employees a sense that their voices can be heard and that they belong within the organization (Hall, 2019). A good place to start is with the organization's diversity statement. This statement is a simple and effective way to communicate with internal and external stakeholders. Many companies have them, and most of them probably look like ChatGPT wrote them and could be used by any company. It has to be made meaningful and not generic. The statement should include ties to a company's mission and values; it should also give some specifics on how the organization is committing to diversity and the actions they are taking. Putting that information in a company statement with such visibility provides accountability. For communicators specifically, Stovall & Clark recommend using their DEPTH model - “The DEPTH model allows us to look critically at the things we choose to stand on. It poses a series of questions about what we're going to do, why we're going to do it, and how we'll talk about it” (2021). D is for deliberate, E is for educated, P is purposeful, T is for tailored, and H is habitual. By working through a series of questions like, do we have a clear goal, do we know all we need to know, does this align with our mission and values, is this an issue we can move the needle on, is this something we have talked about before or intend to address in the future, organizational communicators can make informed and strategic decisions about when and what to communicate.

By acknowledging who employees are, focusing on moments that matter and communicating our DE&I efforts with DEPTH, organizations can set themselves up to have a successful DE&I program. And as these

programs develop, organizations, and their employees, can move from wishing they had true diversity, equity, and inclusion toward an actionable plan to bring it to life.



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