

TRENDLINES

The Employers' Association's monthly whitepaper on essential Business/Human Resources practices

The Employers' Association (TEA) delivers reports for businesses that contain relevant and up-to-date information based on our work with hundreds of employers each month. TEA is known to produce a number of essential benchmark survey reports every year and we also compile data and observations that provide organizations practical perspectives on important business trends.

Strategic Diversity, Equity, & Inclusion

What you should know

Although some organizations still use a moral imperative to drive their Diversity, Equity, & Inclusion (DEI) work, others take a more business oriented approach. The history of formal DEI initiatives has made this a complex and challenging endeavor. Some early “diversity programs” made it difficult for businesses to take the field seriously as anything more than sensitivity training or another version of quotas and affirmative action. For years, practitioners have worked to build the business case for Diversity, Equity, & Inclusion and methods to measure DROI (Diversity Return on Investment). In reality, it is just the right thing to do.

The evolution of DEI in businesses has occurred on a macro level (impacting the perception of DEI across organizations) and at the local level (impacting a specific organization's journey). This progression often involves:

- (1) Acknowledging barriers/harm to people due to certain characteristics (race, sex, age, etc.),
- (2) Increasing sensitivity and awareness of differences in and out of the workplace,
- (3) Seeking more workforce diversity and helping people work better together, and
- (4) Capitalizing on the benefits of a more diverse, inclusive, and equitable workplace and customer base.

Many organizations are still hesitant to see DEI as a business imperative and, if anything, often do little bits of work “on the side” that are not integrated into business practices. They may have a luncheon for employees to bring in “ethnic” food and listen to music from other cultures, send employees and leaders through an unconscious bias training or provide scholarships to students from underrepresented groups to pursue degrees in their field but they lack a defined strategy and comprehensive approach. It would not be wise for organizations to sprinkle disconnected safety topics randomly through an organization and expect employees to take it seriously or understand it. Information Technology (IT) would not recommend that people can adopt a new technology only if they felt comfortable, provide just part of a technology solution to different segments of the organization, or offer no context for technology changes. A scattered approach would not work for other business efforts but that is what happens with Diversity, Equity, & Inclusion in many businesses – there is no organization-wide strategy but different people have taken it upon themselves to start doing something. When organizations truly put “safety first,” it is a coordinated effort that penetrates all parts of the organization. When a business decides to implement new technology, it is a well thought out and coordinated effort. DEI should be the same – make a decision to be “all in” and create a strategy.

What we know

A statewide survey conducted throughout Michigan by The Employers' Association and American Society of Employers found that 46% of organizations do not have any DEI initiatives and 62% of businesses do not have a dedicated person to lead their DEI efforts. Almost 80% of the organizations have no DEI goals and most cite the lack of resources, time, and workload constraints driving their inability to implement and maintain a DEI focus.

The Employers' Association has seen a growing desire of small and medium sized businesses to address DEI in the workplace. There has been an increase in the number of requests to add specific DEI questions to our Employee Engagement Surveys as well as providing demographic breakouts to determine if some employee groups have different experiences based on race, sex, age, etc. We have introduced a Diversity, Equity, & Inclusion (DEI) Assessment to measure employee's experiences and another to identify business practices across 5 critical DEI measures. In addition, TEA's DEI Round Table continues to grow and discuss both tactical and strategic Diversity, Equity, & Inclusion work.

There is plenty of research to demonstrate the value of a well-managed diverse workforce (poorly managed diverse environments actually are less productive, more segregated, have higher turnover, and generate more lawsuits). It is not merely having diversity that provides the benefit – it is enhancing the organization's inclusive environment to create equitable and inclusive work setting where people can thrive and enhance the organization's capabilities and outcomes.

What it means

Organizations need to be deliberate about their approach and desired results for DEI – it likely will not “naturally” happen. Historically, there have been coordinated efforts to keep certain groups out and discrimination and harassment that has been sanctioned as well as subtlety built into organizations' policies and practices. That is not always easy to recognize and/or overcome. Even when organizations have a commitment to DEI, there are not a lot of small and medium sized business models to follow. Most of the recognized best-practices come from larger organizations and may not translate cleanly to smaller businesses.

Some leaders will need more information/context to help them truly understand the value DEI brings. They may feel that the focus is unnecessary since they (and the organization) has been successful for many years without attention to diversity, equity, and inclusion in their organization. We see a similar challenge in organizations that want to introduce technological advances but the leader believes they do not need it since they have not required it before. A similar approach can be used to address the reluctance in both scenarios – provide the information/context needed to see the benefits of the change and the pitfalls of not changing.

Little to no progress will be made when DEI efforts are not supported by senior leaders and there is a lack of commitment from middle management. DEI is like most other parts of the business and needs to be approached as a business strategy. Diversity, Equity, & Inclusion should not get a buy simply because it feels like the right thing to do. There needs to be a clear plan with objectives and expected results. It is likely that an “expert” will be needed to help guide the process (whether internal or external) because organizational DEI is not something most leaders have studied or practiced during their leadership tenure.

What you can do

A centralized strategy will provide direction for most organizations. It will likely not be a Human Resources function because it also includes marketing, purchasing, community relations, patient care, student curriculum, etc. The model will be dependent on the industry and the size of the organization. The approach from a medium sized healthcare organization will likely differ from a large publishing company or small manufacturer. There is, though, a process that all organizations can follow which includes the following:

- **Solicit and secure support**

Like all business decisions, if senior leaders do not support the work, it will likely fail. Generally speaking, when DEI initiatives struggle, the challenges occur with middle management. Senior leaders may agree that work should be done but middle managers do not prioritize it (and are not held accountable).

The support that is needed is to explore where DEI will help the business and the costs associated with the investigation.

- **Assess and identify key target areas and measures of success**

Through surveys and an audit, an organization can identify the most significant DEI needs. An assessment should be done to examine DEI in the *workforce* (employees), the *workplace* (organization culture and practices), and the *marketplace* (community relations, marketing, supplier diversity). Strengths and weaknesses will be identified as will any gaps between an organization's mission, vision, values and reality.

Leaders should focus on what they would like to achieve and develop goals, metrics, and accountability that will allow for the measurability of progress during the pursuit of their goals.

- **Create a plan and secure resources**

It is important to have clear plans to achieve the goals. The plans should identify who does what by when for each area of focus (workforce, workplace, and marketplace). Each plan will need its own set of resources and have its own priorities but they should all support a larger DEI strategy. If someone participates in a training they like and want to bring it to the workplace, it needs to fit in with the larger strategy at the right time (or maybe it does not fit into the current strategy and needs to be delayed).

A clear overarching strategy should be created that guides decisions and timelines.

- **Reconfirm support**

Communicate the results of the research (and the impact on the business) as well as the plan and required resources. If senior leaders **agree** to embed DEI into the work of the organization, plans should be shared with all leaders and time and effort should be taken to ensure there is support throughout leadership so it does not get derailed.

Leaders are the key to success – do not move forward without their support.

- **Execute the plan**

Ensure that all the needed resources (time, people, and money) are available and used as projected. Provide updates to monitor and measure progress in each identified focus area. Make adjustments as needed and expect new information to surface that needs to be addressed.

Project management and organization development approaches are keys for success.