

Diversity, Equity, Inclusion & Belonging: Creating a Holistic Approach for 2021

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2020: Same storm, different boats

While 2020 was difficult for many people, its impact was uniquely felt by diverse people. Women have left the workforce in record numbers. Lower-income earners saw their jobs evaporate, with many of them never coming back. And, critically, while it was terrible for all, the murders of George Floyd, Breonna Taylor, and so many others, disproportionately impacted the Black community.

All of this happened in the midst of a global pandemic, when we're advised to socially distance and be cut off from the shared structures that make such moments more bearable.

The experience we've all gone through in the last year has changed us: as people, employees, and organizations.

The opportunity for organizations to get their diversity, equity, inclusion, and belonging (DEIB) house in order has never been greater.

The question leaders need to answer is:

“How best to align your org’s strategy and activities with its reasons for focusing on DEIB?”



The questions this study answers

Given everything that has happened this year, we took a step back and asked a few critical questions:

- What are some of the most fundamental shifts we've seen this year related to diversity, equity, inclusion, and belonging (DEIB)?
- What is a holistic way leaders can think about their DEIB efforts, more effectively defining and integrating their DEIB strategy with other activities?
- What trends do we see moving forward that could influence orgs' 2021 strategy?

This study is based on a review of more than 50 articles, and interviews with 10 DEIB leaders and 20 HR leaders over the course of September–November 2020.



RedThread's definitions of terms

Diversity

The variation in backgrounds, attitudes, values, beliefs, experiences, behaviors, and lifestyle preferences with respect to gender, race, ethnicity, nationality, language, age, mental and physical abilities and characteristics, sexual orientation, education, religion, socioeconomic situation, marital status, social roles, personality traits, and ways of thinking.

Equity

The fair and respectful treatment of all people, which includes providing equitable access, opportunity, and advancement for everyone, and taking into account factors that may have resulted in uneven distribution of resources.

Inclusion

Acts or practices that provide an equitable and fair distribution of resources (i.e., jobs, income, opportunities, access to information, etc.). Such acts and practices enable all members, including those from underrepresented groups, to be respected and appreciated for their unique contributions and be fully integrated into the informal networks of an organization.

Belonging

The sense of security and support one has resulting from a belief in being accepted and valued for being their “authentic self.”

The background is a solid teal color with a pattern of thin, white, wavy lines that create a sense of movement and depth. The lines are more densely packed in the upper half and become sparser towards the bottom.

Fundamental Shifts

4 fundamental shifts within DEIB

The events of 2020 resulted in some very fundamental shifts in DEIB. In our research, we identified 4 of particular importance:

1. Higher expectations of actions on DEIB

All stakeholders expect organizations to do more when it comes to DEIB. This is especially the case with employees and customers.

2. Executives more open to DEIB topics

In our interviews, we discussed the role of the pandemic in creating this greater openness. As one interviewee mentioned, at the beginning of the pandemic, senior executives had to admit they didn't know all the answers. This openness and vulnerability may have influenced executives' willingness to admit the need for more focus on racial issues.

3. More honest conversations on DEIB topics

Taking the cue from senior executives, many organizations have had much more honest conversations about race than ever before.

4. Expansion of DEIB efforts

Given both the pandemic and #BLM movement, organizations have evolved their DEIB efforts to focus on the impact of remote work, the disproportional effect of COVID-19 on certain populations, and uneven caregiving responsibilities.

Figure 1: DEIB Perspectives of the U.S. Population



* But this is only true for small businesses—medium businesses and corporations are NOT trusted.

Source: Edelman Trust Barometer, 2020.

A photograph of two women in an office setting, laughing and talking. The image is overlaid with a teal color and a decorative pattern of white wavy lines at the bottom. The text is overlaid on the lower half of the image.

“When it comes to DEIB, the events of summer 2020 have made people ready for a lot of things they weren’t ready for earlier.”

– Senior Director, OD / LD, Nonprofit

Real-World Threads

#BLM responses inside and outside the U.S.

Some examples of what U.S. companies are doing in response to #BLM include:

Adidas

Filling at least 30% of all open positions at Adidas and Reebok with Black or Latinx candidates

IBM

No longer offering, developing, or researching facial recognition technology, citing potential human rights and privacy abuses

Facebook

Pledging to double the number of Black and Latinx employees by 2023

PayPal

Creating a \$500 million fund supporting Black and minority businesses

YouTube (Google-owned platform)

Supporting the work of Black creators and artists with a \$100 million fund

Not all responses to #BLM come from U.S.-based companies. Some examples of what companies headquartered in other countries are doing in response to #BLM include:

SoftBank (Japan)

Starting a \$100 million fund to invest in U.S. companies led by minority entrepreneurs¹

BBC (U.K.)

Increasing diversity by investing £100m of its TV budget over a 3-year period to produce “diverse and inclusive content”²

Ubisoft (France)

Tweeting that the company will donate \$100,000 to the NAACP and Black Lives Matter organization, and encouraging others to donate³

H&M (Sweden)

Pledging \$500,000 across 3 different organizations – NAACP, ACLU, and Color of Change⁴

Spotify (Sweden)

Launching a new program to offer up to \$10 million globally through an employee donation matching program; promising a new set of initiatives to increase representation of Black employees at the company; and, creating a Black Lives Matter playlist with more than 450,000 followers and almost 6 million daily active listeners⁵

Ganni (Denmark)

Pledging \$100,000 towards Black Lives Matter, the ACLU, and the NAACP⁶

Pretty Little Thing (U.K.)

All proceeds from the newly released At Home with Saweetie collection would be donated to Black Lives Matter⁷

Square Enix (Japan)

Announced a \$250,000 donation in addition to matching employee donations to the Black Lives Matter organization and other charities⁸

A broader shift: The importance of purpose

In addition to the specific shifts that have impacted DEIB efforts, we've also observed a rise in the focus on organizational purpose.

The extent of this shift was exemplified by the August 2019 release of an updated "Statement on the Purpose of a Corporation," from the Business Roundtable.

In this statement, "181 CEOs committed to pursue a more holistic approach to serving stakeholders more broadly, renouncing the concept of shareholder primacy."⁹

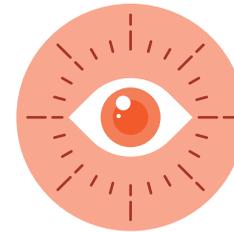
Organizational purpose: A clear and concise statement that inspires people to deliver value to multiple stakeholders.

Figure 2: Purpose vs Everything Else¹⁰



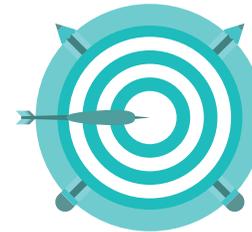
Purpose

Why I/we do this



Vision

Where we want to go



Mission

What we do now and in the future



Values

What behaviors we uphold



Principles

What beliefs guide our behavior

Source: RedThread Research, 2020.

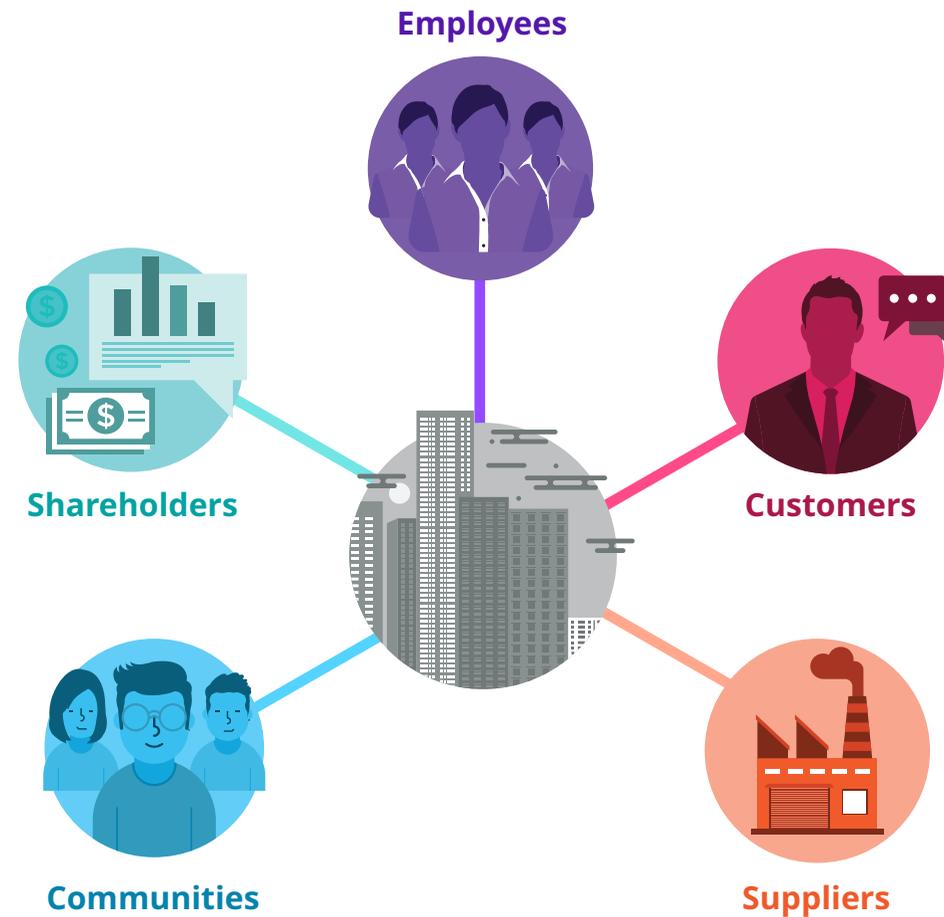
Purposeful orgs focus on the same stakeholders as DEIB leaders

This focus on purpose has a direct consequence for DEIB efforts, as the multiple stakeholders identified by the Business Roundtable (see Figure 3) are the same ones that DEIB leaders traditionally focus on.

This means that DEIB leaders should have more support for their efforts, as organizations try to fulfill the idea of organizational purpose.

But with that broader support also, potentially, comes more cooks in the DEIB kitchen – and more scrutiny of DEIB efforts. This makes it more important than ever to have a clear and holistic approach to DEIB.

Figure 3: 5 Stakeholders of Organizations



Source: RedThread Research, 2020.

The background of the slide is a solid dark teal color. Overlaid on this background are several thin, light teal wavy lines that create a sense of movement and depth, resembling a stylized landscape or a series of ripples.

Developing a Holistic Approach to DEIB

A man and a woman in business attire are looking at a whiteboard in a meeting room. The man is on the left, and the woman is on the right. They are both looking towards the whiteboard. The background is a blurred office setting. The image has a blue tint and a decorative wavy pattern at the bottom.

“This work is about culture and change management, and so we need to be looking for behaviors, practices, or norms that need to change.”

– Mary Ellen Connerty, Director, Diversity & Engagement, O’Melveny & Myers LLP

Creating a holistic DEIB approach

When you're developing a new DEIB approach – really a DEIB system – there are 6 questions you need to answer:

1. Why is my organization focusing on DEIB?
2. What goals are we trying to achieve and for whom?
3. What is our strategy to achieve those goals?
4. What levers are we trying to pull to enable that strategy?
What are the supporting activities that pull those levers?
5. How will we use technology to scale our operational activities?
6. How will we use data, analytics, and metrics to create transparency and enable accountability?

A holistic DEIB system is one in which every organizational process, action, policy, or decision is looked at through a DEIB lens.

Figure 4: 6 Questions to Align DEIB Efforts



Source: RedThread Research, 2020.

Start with your organization's "why"



There are typically 3 reasons why organizations focus on DEIB:

- Alignment to organizational purpose
- "Right thing to do" (RTTD)
- Business case for D&I

Right now, though, there's another reason:

Society expects organizations to do it. A recent Pew Research Center study indicated that a majority of Americans believe pressure from others – not true concern for Black people – has driven the recent corporate statements on race.

This skepticism of organizations' commitment to DEIB means it's even more important than ever for organizations to follow through on their commitments.



69%
of Americans believe that it's the pressure to make public statements about race or racial inequity that has contributed "a great deal" to companies making such statements (not genuine concern)

Source: Pew Research Center , 2020.¹¹

Making it happen: Understanding the why



When you open the discussion to “why” your organization is supporting DEIB, it’s critical to be sensitive to the organization’s specific context, environment, and leaders’ perspectives.

Different leaders are at various stages in their journey to understanding and embracing DEIB. One of the benefits of the greater openness we’ve seen since the summer is that many leaders are now more open to learning further.

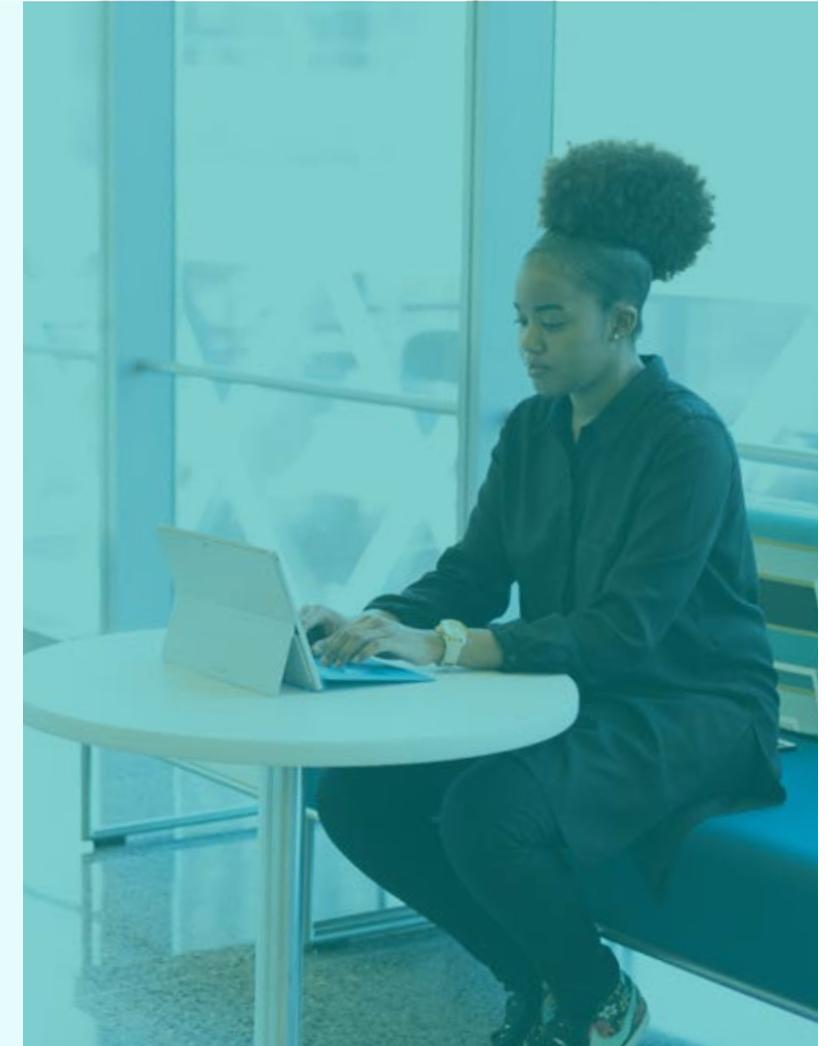
Regardless of specific leaders’ perspectives, the important thing is to align on the overall why for the company.

“Begin with why this is important to you. Align it to the long-term value of the firm, the purpose of the firm, and your value system.”

– Mary Slaughter, Managing Director, EY

Why: A checklist to jumpstart your efforts

- Why are we focusing on DEIB (i.e., alignment to purpose, market / societal expectations, business outcomes)?
- How does that reason align with our business strategy?
- How does this reason(s) align with our internal talent expectations and our external brand?
- What are the specific DEIB changes that impact our organization?
- What are senior execs’ experiences with DEIB and how can we use those to align on a vision?



What does your organization want to achieve?



The next big question to answer is what your goals are, both long term and short. Some examples of typical goals we heard are:

- Ensure talent pipeline diversity
- Move the dial on leadership diversity
- Identify barriers to belonging while putting inclusive practices in place
- Enhance representation among middle management

It's important to be very clear on these goals and (as we discuss later) to have clear metrics and accountability in place for these goals.



Source: Women in the Workplace, 2015, McKinsey & Company and LeanIn.¹²

Real-World Threads

Bank of Montreal unveils new diversity & representation goals for the next 5 years

In September 2020, BMO Financial Group announced new, 5-year diversity goals to address gaps affecting Black, Indigenous, People of Color, Latinx, and LGBTQ2+ employees, customers, and communities. The goals reflect an expansion of the multiyear diversity strategy last set in 2017.

Bank of Montreal's Zero Barriers

to Inclusion 2025 goals :

- Increasing representation of Black employees in senior leadership roles to 3.5% and 7% in Canada and the U.S., respectively
- Increasing representation of People of Color employees in senior leadership roles to 30% or greater in Canada and the U.S.
- Increasing representation of Latinx employees in senior leadership roles to 7% in the U.S.
- Sustaining the current gender equity position with a range of 40-60% representation in senior leadership roles across the organization
- Increasing representation of Black and Latinx interns and entry-level employees to 30% in the U.S., and ensuring 40% of student opportunities in Canada are directed to BIPOC youth
- Increasing representation of Indigenous Peoples across the workforce in Canada to 1.6%
- Increasing representation of persons with disabilities within a range of 5-7% of the workforce
- Introducing an LGBTQ2+ representation goal of 3% of the workforce

"These ambitious goals will help us achieve our vision of eliminating barriers to inclusion in society, by directly addressing gaps in representation across our organization and the financial services industry to create opportunities for all."

- Darryl White, CEO, BMO Financial Group

And, for whom?



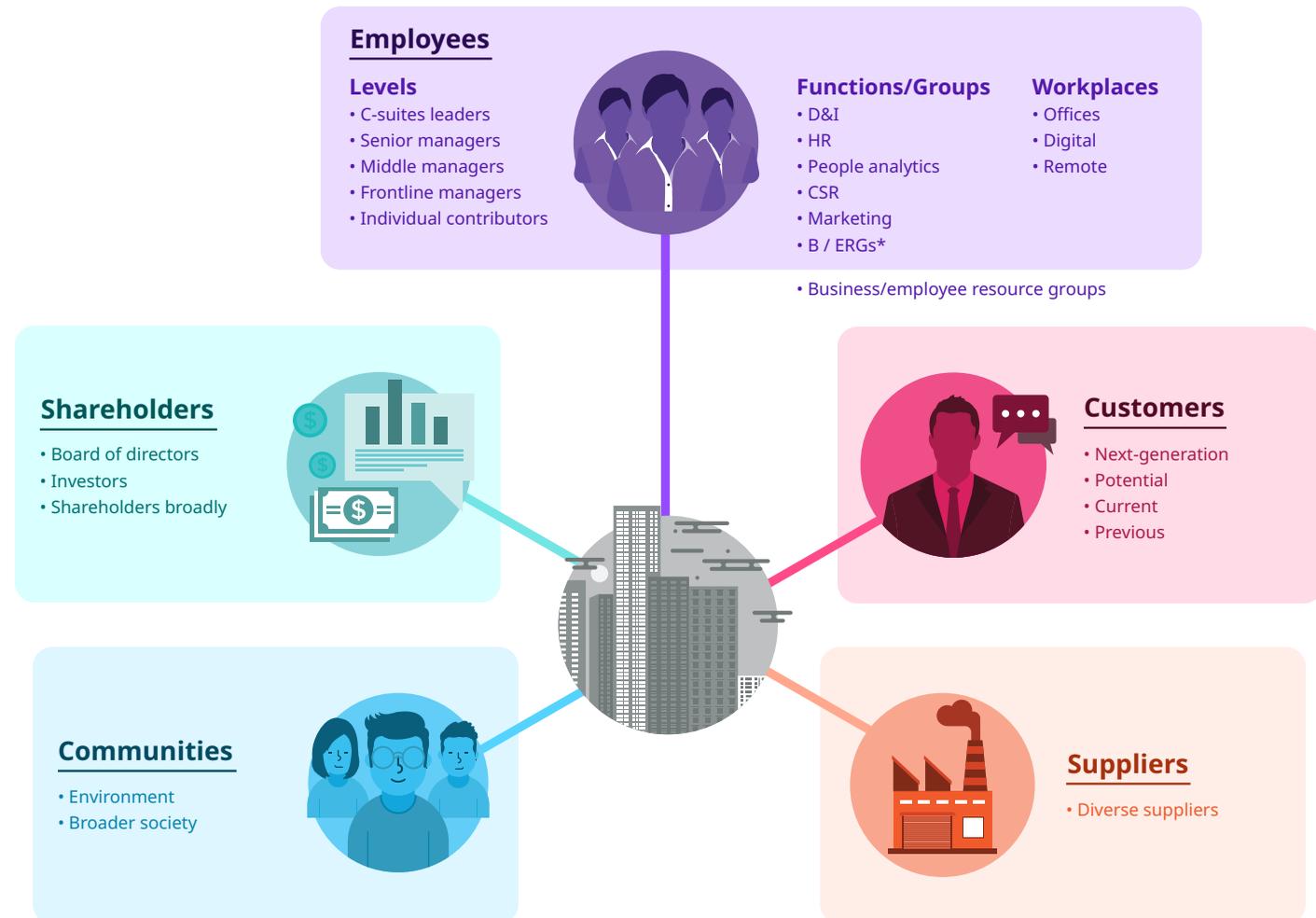
While it's important to have high-level goals, you should consider focusing on goals for specific subsets of stakeholders.

For example, you may have specific goals for C-suite leaders and middle managers, as those groups are critical to making DEIB a reality.

In addition, you may have goals for specific demographic groups, such as gender, race / ethnicity, culture, sexual orientation, social / economic classification, age, disability, and religion.

Obviously, this year, there's been a huge focus on both female and Black employees. We expect to see goals around representation and engagement of these populations to continue.

Figure 5: 5 Stakeholders of Organizations, Including DEIB Subgroups



Source: RedThread Research, 2020.

Making it happen: Listening for better goal-setting



Why | **Goals** | Strategy | Levers & Activities | Technology | Data, Analytics & Metrics

When setting goals, it's essential for you to understand the range of perceptions and experiences of different stakeholders. This can mean leveraging a range of data sources (e.g., interviews, focus groups, surveys, demographic data, digital exhaust, etc.) to get a holistic picture of current state and gaps.

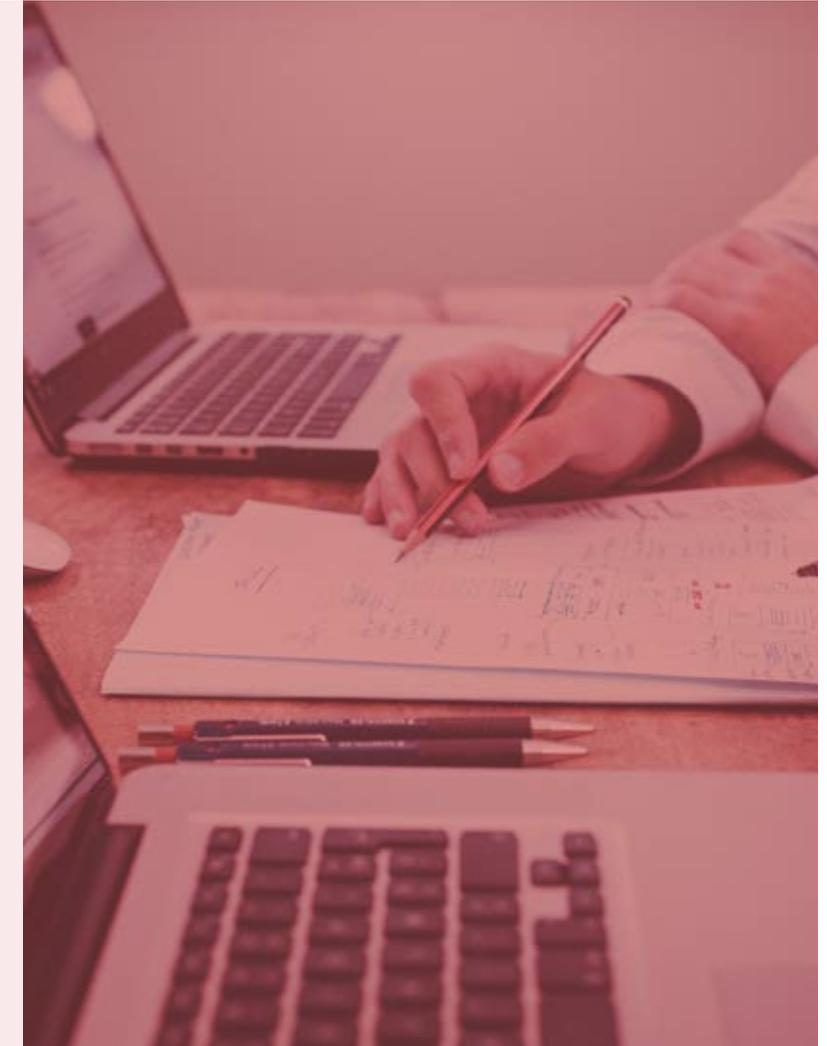
Recommendations and feedback from diversity councils, resource and affinity groups, people committees, and diversity advocates comprise an integral part of understanding where you stand and where you need to go.

“Every strategy must start with listening. We must veer away from making assumptions on what people need and how they need it, and listening forms a core part of that.”

– Sheree Atcheson, Global Director of Diversity, Equity and Inclusion, Peakon

Goals: A checklist to jumpstart your efforts

- Where are we currently?
- Where are the existing gaps?
- What is the experience of each of our stakeholders in working with our organization?
- How frequently are we listening to stakeholders?
- Are there specific roles or groups, such as executives or middle managers, whose approach needs to evolve so we can drive change?
- What has changed and are we addressing that in our goals?
- How will the goals we set align with our business strategy and objectives?





“Understand the business you’re in and figure out how D&I can enhance the bottom line. Such efforts can’t be an HR initiative; they can’t be separate from corporate strategy. This is about engaging the entire organization on issues related to diversity.”

– Rohini Anand, Global Chief Diversity Officer, Sodexo¹⁴

What is a strategy anyway?



We have read about a lot of different DEIB “strategies”:

- **The 3 Ps:** People, partners, and places
- **The 4 Pillars:** Workforce, workplace, industry, and community
- **The 3 Is:** Individuals, infrastructure, and impact

While these are useful methods to keep track of all the ways you can operationalize a strategy, they are *not* a strategy.

Instead, a strategy helps you understand what you should be doing – and, as a result, what you should not be doing – to achieve the established goals.

Think of it this way: Your strategy to win a marathon may be to go fast the first 13 miles and slow the last 13 miles (and just hope you make it!). Or it could be to go slow the first 20 miles and sprint the last 6.

But a strategy wouldn't be to put on your running shoes, clothes, and drink water! They may be necessary to running the race, but they are not your strategy.

A DEIB strategy supports the purpose and drives the organizational culture.

A business strategy is “... a set of guiding principles that, when communicated and adopted in the organization, generates a desired pattern of decision making.”

Source: *Harvard Business Review*, 2007.¹⁵

So what's a DEIB strategy then?



A DEIB strategy, similarly, is that set of guiding principles which helps your organization achieve its DEIB goals. The DEIB strategy should help you make decisions about the activities it will engage in and those you should forego to achieve your goals.

What does this look like in real life? As an example, let's assume a company's goal is:

"To be the most inclusive organization in tech."

Sounds lofty, right? Well, then the strategy could be:

"To create inclusive experiences for employees from their first interaction to their exit interview."

This strategy clarifies that the organization will focus on all of the talent lifecycle and specifically focus on inclusion (diversity, equity, or belonging may be a secondary focus).

It also gives the organization a set of guidelines for making decisions, for example:

- *Is this talent selection process inclusive?* Nope? Let's change it.
- *Is this leadership program inclusive?* Kind of. Let's evolve it.
- *Is this event inclusive?* Yes! Great, how can we do more of them?

QUICK CHECK

If the strategy can't be used as a guide for making decisions, it isn't actually a strategy.

How are DEIB strategies changing now?



We asked every interviewee if their DEIB strategy is changing and the results were mixed.

Organizations that already had a clear strategy indicated they plan to stay the course. These companies have amplified their efforts for Black employees and their communities, but haven't planned significant strategic changes.

Organizations that are relatively early in their DEIB journey were much more likely to indicate they're planning to adjust their strategy. Generally speaking, this means a much more explicit focus on inclusion and belonging for Black employees and a greater level of openness to difficult conversations about racial justice.



“We had a strong strategy before 2020. We are focused on continuing to execute it, although we have flexed some of our activities to meet the needs of our employees and increased the visibility of some of the components.”

- SVP, Head of People Sustainability and Chief D&I Officer, Technology company

“Even though our strategy is still evolving, it's on the right track as we make sure it is CEO driven along with a bottom-up approach. We want to make it informal and involve everyone instead of forcing them to do things like trainings.”

- DIB Executive Officer, Technology company

“Our strategy now feels a bit lightweight – a bit inadequate. We need a different strategy now because of what is happening and what people are asking for. Before, no one was asking for anything. Now they want everything.”

- Director of Organizational Development, Nonprofit

Strategy vs goals: What's the difference?



Once you've set your goals, the next step is to figure out how to achieve them and lay out a strategy for it. You may fall short at this stage as setting goals and objectives is often confused with an actual strategy.

While DEIB goals are what you hope to achieve, a strategy is a specific action plan that will help you get there.

It's critical that you be extremely detailed and descriptive in laying out the specific targets and how you strategically work to achieve them. Unlike goals, which can be both short and long term (1-5 years), a strategy should cover a short-time period (e.g., 1 financial year) and needs to be revisited often.

Real-World Threads

Inclusion and diversity at Expedia

"The thing we've been doing a couple of months ago, but has since accelerated, is looking at the entire employee lifecycle. From when someone is looking to apply for a role at Expedia, looking that inclusion and diversity is woven into that process, making sure that when people are interviewing that they're thinking about inclusion and diversity – all the way through the lifecycle to exit interviews and why our people are exiting Expedia."

- Melissa Maher, Chief Inclusion Officer & Senior Vice President, Expedia Group¹⁶



Real-World Threads

Ph.Creative helps people feel included early

Ph.Creative is a U.K.-based employer brand agency. When the company hired its current Chief People Officer, Cher Murphy, there was no official DE&I strategy in place.

Being a brand agency, the company truly believes that inclusion and belonging are an outcome of the employer brand and the experiences of the employees with the brand.

Hence, one of the first things Cher did was to establish an engaging onboarding experience called "Meet the Phamily." The objective, which includes a buddy program, is to get new talent to engage as soon as they join. There's a meet the family interview with the new employee which gives a chance for everyone to connect with them. The buddy program allows new talent to connect with others on things outside of work, such as what they're currently watching and what their creative feed is like.

These efforts help people coming in from different backgrounds and experiences to connect and feel included.

"While technologies, processes, and programs are important, we shouldn't forget that this work also involves hearts and emotions. It's a hard balance that needs to be maintained between these two."

– **Cher Murphy, Chief People Officer, Ph.Creative**

Making it happen: Refining the strategy



Similar to goal-setting, get different stakeholders involved right from the start in refining the strategy.

Incorporate different groups with varied experiences to get their perspectives on how goals can be achieved. Strategy setting should be a highly iterative process.

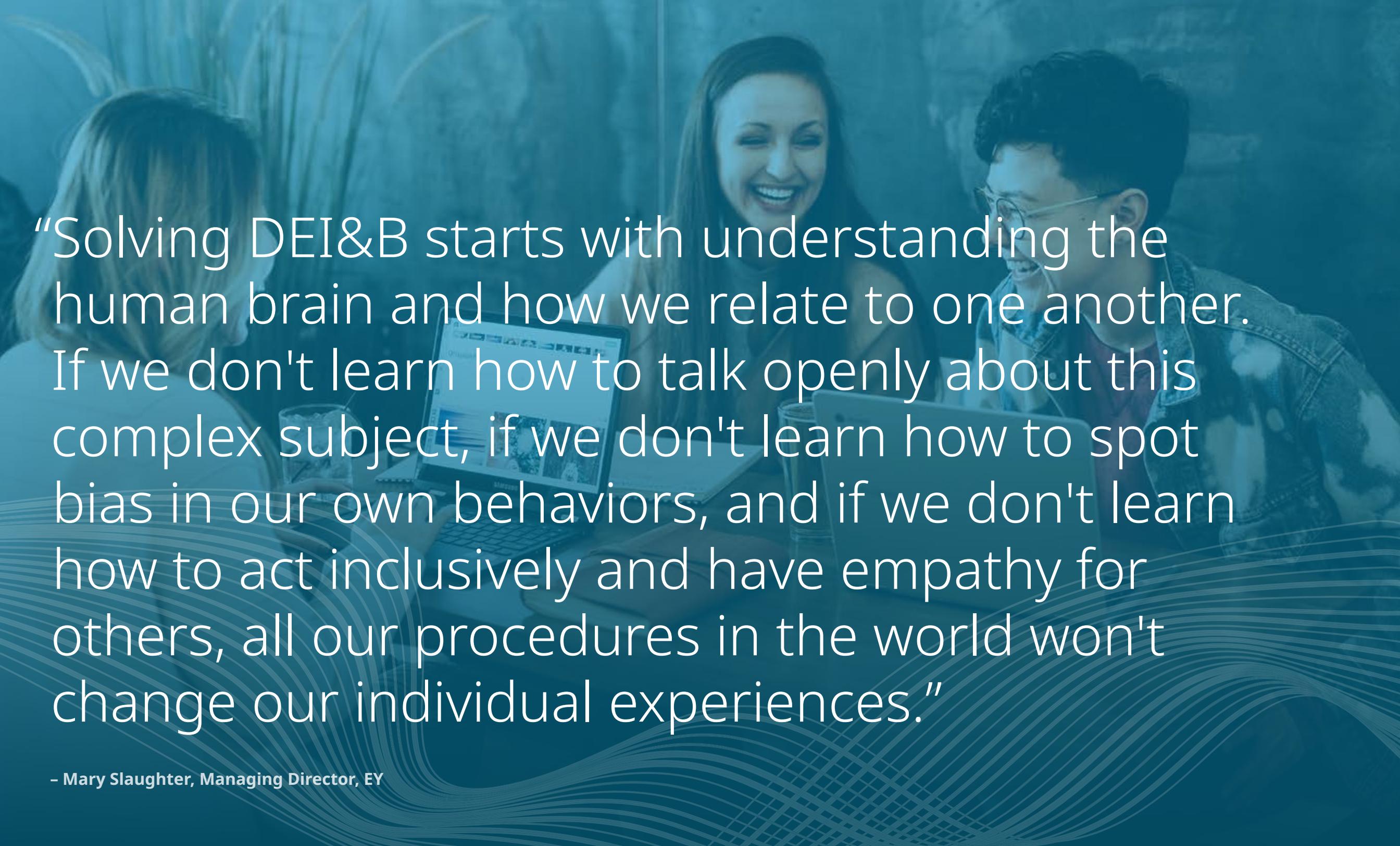
Our interviews revealed 3 findings crucial to this step:

1. Collaborating with business leaders on how the DEIB strategy will work for their business and enabling them to achieve their objectives
2. Working with HR and other teams, such as talent acquisition, learning and development, and leadership development to revisit policies and practices to ensure that the strategy is baked into every process
3. Using the strategy setting process – and the resulting communications – as a way to get everyone onboard with the actions to come

Strategy: A checklist to jumpstart your efforts

- Who needs to be involved in creating the strategy (including middle and frontline managers)?
- Do our goals and strategy support each other?
- What specific activities will help us achieve those goals?
- What practices / policies need to be shifted?
- How can we embed DEIB strategy and activities into the business strategy?
- Does the strategy align with the overall purpose of the organization?





“Solving DEI&B starts with understanding the human brain and how we relate to one another. If we don't learn how to talk openly about this complex subject, if we don't learn how to spot bias in our own behaviors, and if we don't learn how to act inclusively and have empathy for others, all our procedures in the world won't change our individual experiences.”

– Mary Slaughter, Managing Director, EY

Moving on from strategy: Focus first on the levers, not activities



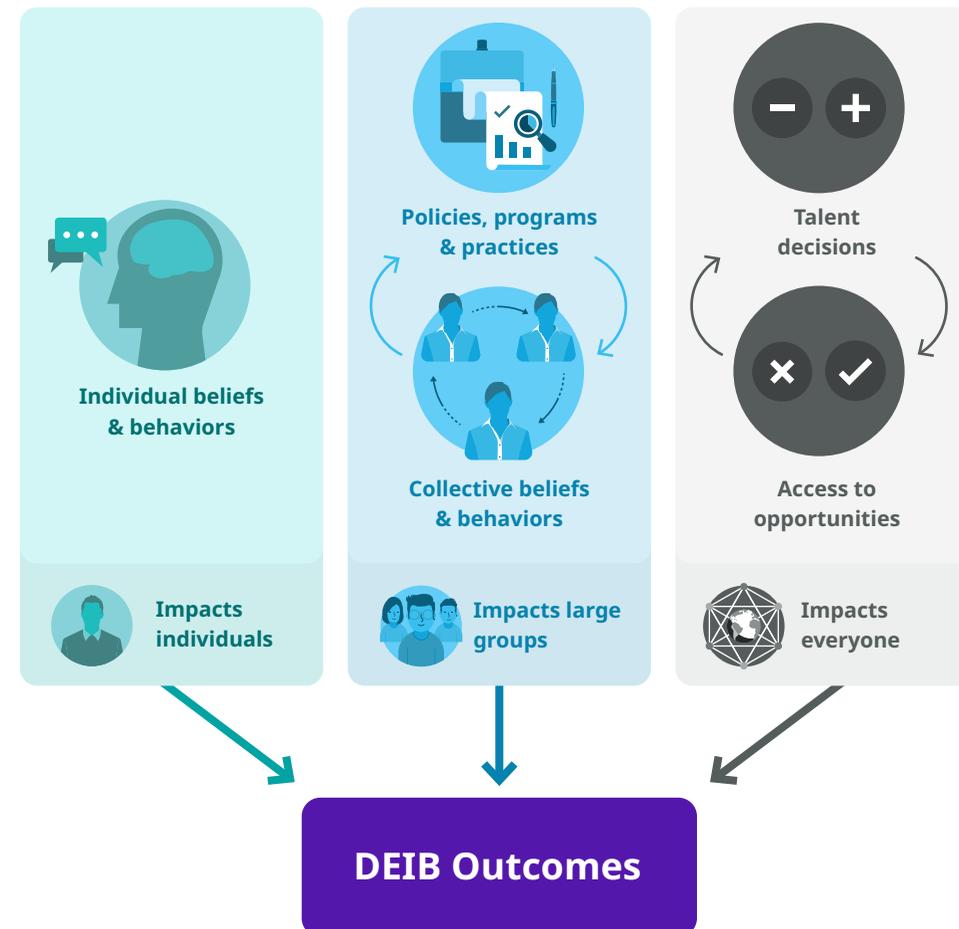
It's super easy to rush from strategy to specific programs, initiatives, and events. *Don't* make this mistake.

Instead, identify the levers your org most needs to focus on to drive DEIB outcomes (see Figure 6). This allows you to be more purposeful about your org's DEIB activities.

For some goals, it may be best to focus on some of the levers, while for others, you might want to influence all.

For example, if your org's challenge is senior leaders' support, you might want to focus on understanding those leaders' individual beliefs / behaviors and making low-risk policy or program changes. If, instead, your challenge is middle-manager support, then you might focus on understanding those leaders' beliefs and behaviors, but also tackle driving changes in all the other areas, too.

Figure 6: Levers That Drive DEIB Outcomes



Source: RedThread Research, 2020.

Select DEIB activities based on levers



Once you're clear on the levers you're trying to influence, then identify the activities that could be appropriate. Figure 7 offers an example list of activities that impact DEIB levers. This list is not exhaustive. You should build out your own list – and adjust your assessment of the extent to which the activities influence the levers.

Generally speaking, it's better to have activities that influence multiple levers. That said, a specific talent activity may serve an important purpose.

For example, a statement on the organization's perspective regarding racial justice during this past summer was incredibly important. However, since it only influences one of the levers, it must be backed up with other activities that can impact DEIB outcomes.

Figure 7: Example Activities That Impact DEIB Levers

Example Activities	Individual Beliefs & Behaviors	Policies, Programs & Practices	Collective Beliefs & Behaviors	Talent Decisions	Access to Opportunities
Unconscious Bias Training	X		X		
Targeted Leadership Resources	X	X	X	X	X
Learning Resources	X		X		
Mentorship Programs	X	X	X		X
Sponsorship Programs	X	X	X	X	X
Statements on Organization's Perspective on DEIB			X		
Changes to Talent Acquisition Processes	X	X	X	X	X
Changes to HiPo Selection Process		X		X	X

Source: RedThread Research, 2020.

Real-World Threads

Facebook introduces a new training experience, "VR for Inclusion: Women in Tech"

In March 2020, Facebook introduced an immersive training experience to help allies better understand what it's like for women to navigate the workplace and learn ways that they can offer support in their own lives.

The training features a 15-minute 180° film that follows 5 different women and looks at the unique challenges they face in the workplace. Resources also include an individual reflection guide and a group discussion guide to help people process the material and learn how to be better allies.

The training leverages the immersive power of VR to break down barriers and help build empathy by letting you see the world through someone else's eyes. *VR for Inclusion: Women in Tech* invites everyone to become allies and take action in the face of microaggressions to help ensure a more equitable workplace for all.

"This experience was game-changing in terms of helping me empathize with the experiences of my female colleagues."

– Charles Shaw, D&I Learning Director, Facebook

Source: Facebook, 2020.¹⁷

Making it happen: Enabling levers & activities

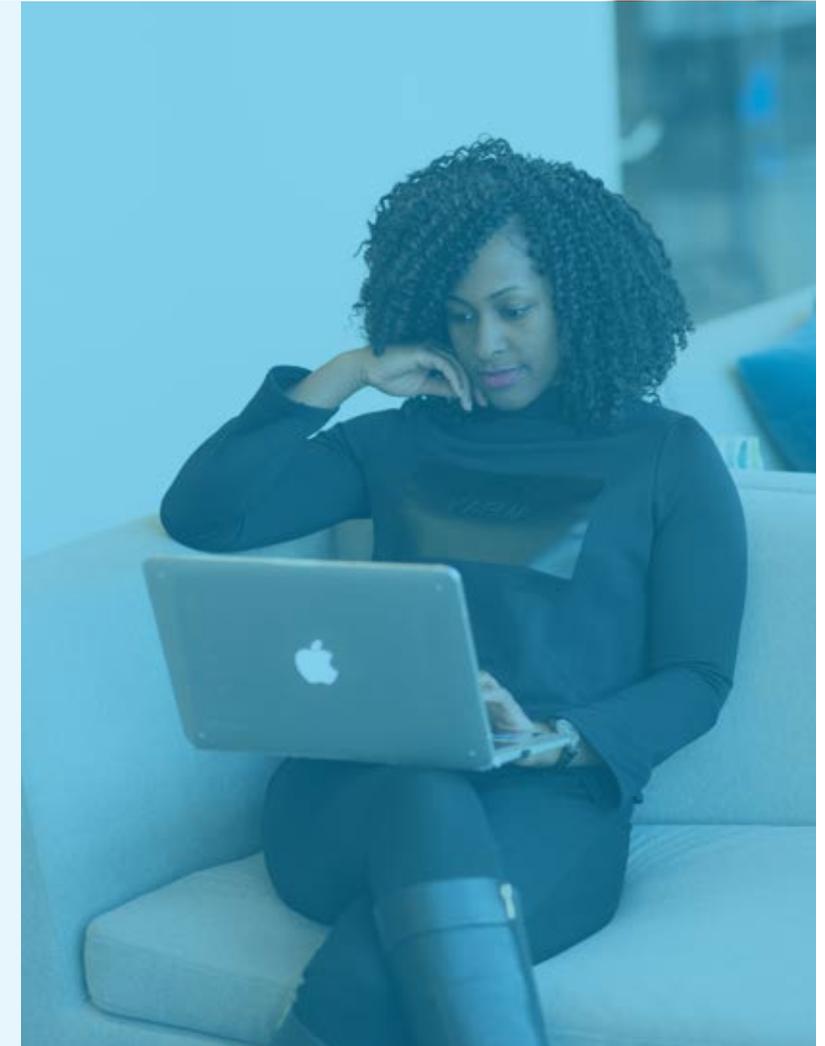


While strategy may be set by a subset of leaders, it comes to life through everyone. Therefore, it's essential for you to share details of the strategy throughout the organization and to distribute the authority to act on it broadly.

This means that once the influential levers and activities have been identified, you must provide tools, resources, and empowerment for everyone in the organization to take action.

Levers & activities: A checklist to jumpstart your efforts

- How do we enable action at every level?
- Who is responsible for which parts of the strategy?
- Have we clarified what decision-making rights leaders have?
- What role does everyone need to play?
- How can we enable individuals at all levels to drive DEIB?
- What tools and resources do people need to implement the strategy effectively?



Tech: The great scaler



For a long time, the combination of technology and DEIB – beyond training and ensuring accessibility – wasn't a thought that crossed most DEIB leaders' minds.

That has changed. In our initial report in February 2019, *Diversity & Inclusion Technology: The Rise of a Transformative Market*, we identified 89 vendors in the space. In our forthcoming update to that study, we have more than 100 vendors which are offering D&I technology across all parts of the talent lifecycle.

As in so many other arenas, DEIB technology can dramatically expand the scale and impact of your DEIB activities. However, just like with any technology implementation, it's essential that you have all of the other critical decisions – your “why,” goals, strategy, and levers / activities – made *before* you select technology. Otherwise, you could be selecting technology that will scale your efforts ... in the wrong way.

Before implementing any new technology, you should analyze your existing tech for biases that may exist either within the technology systems themselves or in how they're used. Then apply that same criteria to any new tech you may implement.

“D&I technology is enterprise software that provides insights or alters processes or practices, at the individual or organizational level, in support of organizations' efforts to become more diverse and inclusive.”

Source: RedThread Research / Mercer, 2019.¹⁸

DEIB tech: You may already have it



When we think about DEIB tech, there are 3 types of vendors:

- **“DEIB Focus” vendors:** These vendors’ primary business is helping organizations address their D&I challenges. An example of this is a vendor whose product focuses only on reducing unconscious bias during hiring.
- **“DEIB Feature” vendors:** These vendors offer features or functionalities that cater specifically to D&I needs, but their primary business includes more than D&I. An example of this is a recruiting software vendor whose product can make all resume names / identifying information “blind” to minimize unconscious bias.
- **“DEIB Friendly” vendors:** These vendors do not address D&I as their primary focus, and they don't market themselves specifically as doing so, but their features or functionalities could positively impact diversity and inclusion in organizations. An example of this is a recruiting software vendor which uses artificial intelligence (AI) to recommend appropriate candidates to hiring managers.

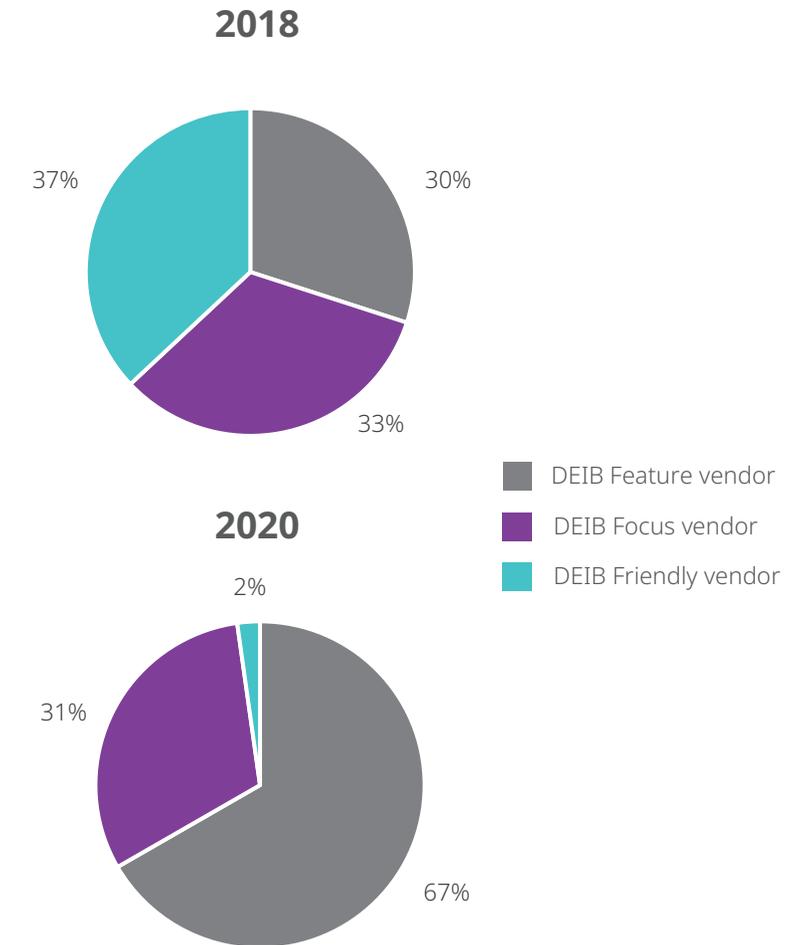
It’s important to understand these differences, because it underscores that your organization may already have

technology – a “Feature” or “Friendly” tech – that it can leverage for DEIB purposes.

Critically, many vendors have added DEIB features to their offerings (see Figure 7) in the last 2 years, making it more likely than ever that your existing tech already has some capability in this area.

If, after reviewing your existing technology, you don't have a way to scale your strategy and activities, consider some of the DEIB Focus technologies that may help you achieve your goals. Our DEIB technology research can help you find solutions.

Figure 8: Types of DEIB Tech Vendors, 2018 vs 2020



Source: RedThread Research, 2020.

Making it happen: Using tech to drive impact



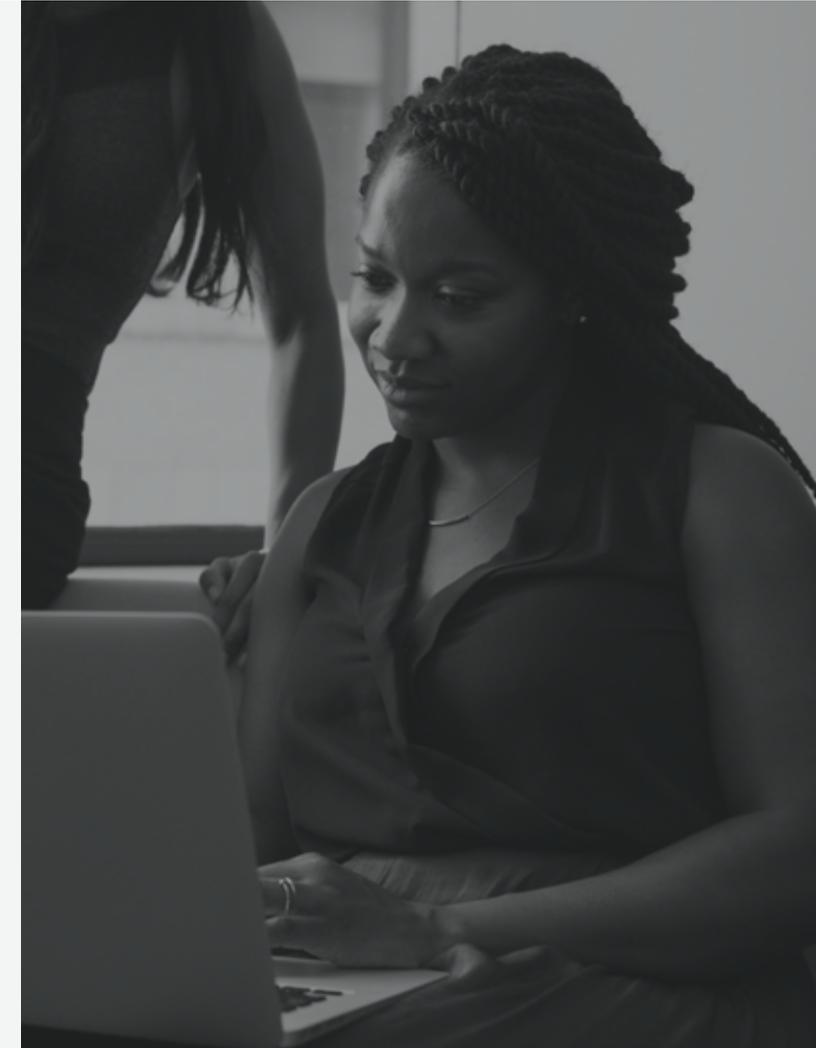
One of the biggest benefits of technology is that it can help identify insights which either have been missed or considered too politically sensitive to surface. By tracking, measuring, and analyzing actions and behaviors, technology can highlight biases that otherwise wouldn't be discussed.

71%

of people believe business leaders are incapable of recognizing racism around them.¹⁹

Technology: A checklist to jumpstart your efforts

- What technology do we currently have that can be leveraged for DEIB purposes?
- How can we leverage technology to raise awareness among people on issues around DEIB?
- Which technologies do we need to add to help us meet our goals?
- Are there certain technologies that we need to get rid of?





“It’s my responsibility as the CEO of this company to make sure it doesn’t fall off the agenda. I think by setting goals for ourselves in the short, medium, and long term, we can then hold ourselves accountable. And I expect the GM team to hold me accountable.”

– Mary Barra, CEO of GM, speaking about inclusion²⁰

Data: Creating transparency & enabling accountability



One of the biggest shifts we've seen is a higher level of focus on identifying, analyzing, and democratizing DEIB data.

- **Identifying DEIB data**

While organizations have tracked diversity data for compliance reasons for years, the focus has shifted more broadly. Orgs are now trying to understand the employee experience for diverse populations, and how that differs from the majority population. We're also hearing about organizations looking for more forward-looking metrics – not just pipeline or representation metrics, which are backward-looking.

- **Analyzing DEIB data**

Historically, given the perceived sensitivity of this data, the analysis and reporting of DEIB data has been done by a small group of employees. The recent proliferation of data technologies has expanded the groups which can access and analyze these data, making it more likely to be done.

- **Democratizing DEIB data**

Given higher expectations from employees and other stakeholders, organizations are sharing more data on DEIB than ever. The key will be in ensuring accountability for changes, which is a responsibility of both organizational leaders and stakeholders.

Real-World Threads

In June 2020, in the aftermath of the killing of George Floyd, PwC's U.S. chairman and senior partner made a commitment to be more transparent about its actions around D&I. In August, PwC U.S. publicly released its diversity data and strategy for the first time. The report includes data and representation metrics not just around employees and leadership, but also on its suppliers and interns.

Source: PWC, 2020.²¹



Real-World Threads

Comerica uses a diversity involvement scorecard

Comerica Bank uses a diversity involvement scorecard to measure leaders for achievement in their diversity initiatives. The company tracks metrics and creates accountability for every senior leader, including the CEO. The scorecard measures the following areas under each leader's control: workforce diversity, business outreach, volunteerism, and supplier diversity.

Within each category, Comerica defined specific metrics for each leader. For example, workforce diversity focuses on hiring, promotions, and retention. Within hiring, the metrics track the application pool for age, gender, and minority / nonminority compared with the employees hired. By using a workforce analytics tool, leaders and the diversity team know exactly where each leader is in relation to the goals.

At the beginning of the year, leaders set goals for each area, and HR tracks results against these metrics throughout the year. The diversity team, the leader's HR business partner, the CEO, and Comerica's Executive Diversity Council review the goals.

Each leader knows exactly to which metrics they'll be held accountable and the numbers needed to achieve the goal. The diversity involvement scorecard results determine their end-of-the-year compensation. Comerica leaders meet with their HR business partner each quarter to review their progress.

“The CEO and senior leadership must accept accountability for D&I. If they don't accept accountability and [don't] expect impact for not meeting goals, then it's very difficult to create a diversity model that moves the needle.”

- **Nathan Bennett, Chief Diversity Officer and Head of Talent Acquisition, Comerica**

Source: Affirmity, 2018.²²

Making it happen: Data, analytics, and metrics



Many companies can fall into the trap of “check the box,” for which DEIB efforts become something *you have to do* because it's required. By tying efforts to actual metrics that are reported and connected to potential rewards, you can embed accountability.

Additionally, establishing metrics that can be tracked consistently might be one of the most crucial steps you can take in the process.

“In every organization, there is a need for a set of standardized metrics that can be applied across the business, and customized metrics that are specific to each business, to ensure equitable measurement.”

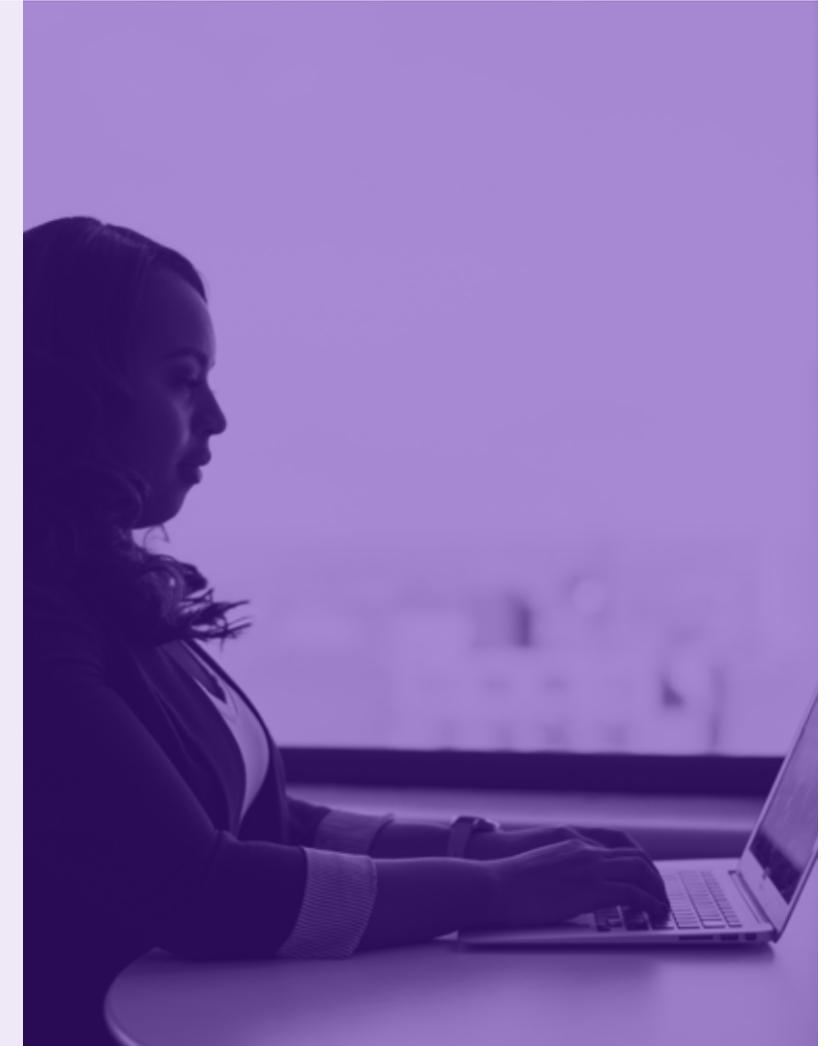
– Crysta Dungee, DEI leader

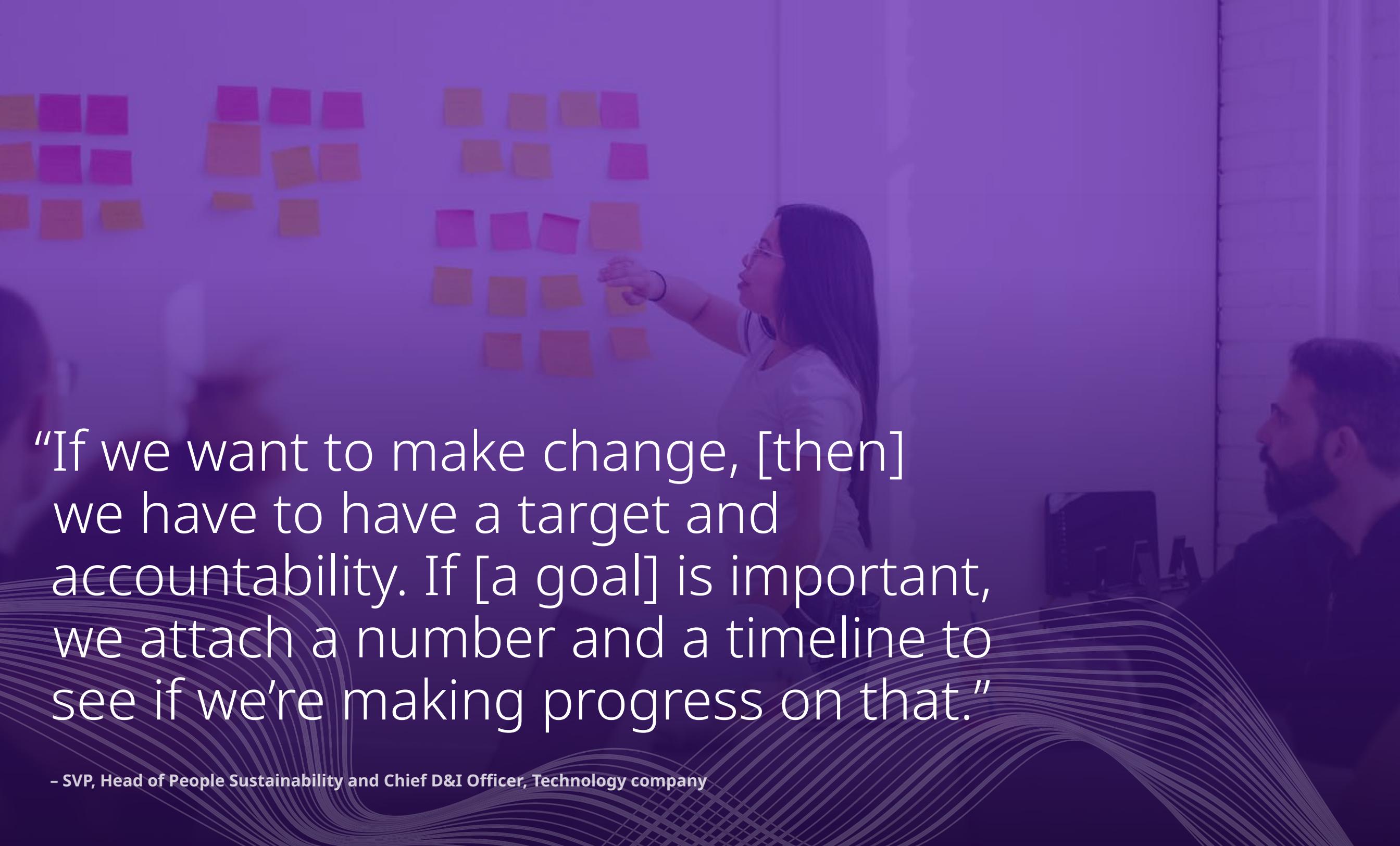
In 2019, **85%** of D&I leaders cited organizational inclusion as the most important talent outcome of their D&I efforts

Yet only **57%** of organizations were using it as a metric to track progress²³

Data, analytics & metrics: A checklist to jumpstart your efforts

- What data will help us understand if we're making progress toward our goals? Do we have both forward-looking and backward-looking goals?
- How can that data be consolidated into 3–7 metrics we can track consistently?
- Which metrics can be connected to either carrots or sticks to drive accountability? And for whom?
- What data / results must we share with everyone?
- What other data / results should we share with other audiences?
- How often must we share that data with those stakeholders?



A woman with long dark hair and glasses is standing in a meeting room, pointing at a wall covered with numerous colorful sticky notes. She is wearing a light-colored top. In the foreground, the back of a man's head and shoulders is visible, looking towards the woman. The room has a white wall and a window with blinds on the right. The entire image has a purple tint.

“If we want to make change, [then] we have to have a target and accountability. If [a goal] is important, we attach a number and a timeline to see if we’re making progress on that.”

– SVP, Head of People Sustainability and Chief D&I Officer, Technology company



Trends for 2021

Trend #1

Enabling civil conversations on difficult topics

While it can be uncomfortable to have conversations about controversial topics in a work setting, keeping silent or discouraging people from sharing how they feel can backfire.

More than ever, you need to provide a safe space for people to have candid discussions about important issues.

“When the social unrest started, we began a series of conversations which we’ve continued, called ‘Change Starts at Home.’ These discussions are designed for folks on the phone talking about: What does it mean to be Black in the corporate world? What does it actually mean to be Transgendered in a corporate world? Let me explain how challenging this is to all of you so you can understand this.”

– Kate Gulliver, Global Head of Talent, Wayfair

70%

of respondents from the U.S. said it's hard for them to talk about difficult topics with people who may hold opposing views²⁴

82%

of Americans surveyed said that people should be more respectful in civic conversations²⁵



Real-World Threads

Equinix creates "safe" opportunities to discuss current issues

Equinix, a real-estate investment trust company, released a twice-monthly blog series, titled "Nothing Left Unsaid," which focuses on the typically undiscussed elements of the pandemic and this year in general. These employee stories have touched on depression, anti-Black racism, anti-Asian racism, being an isolated over 60-worker, addiction recovery, and parenting while sheltering in place. The intent was that, in sharing these stories, it would help everyone be aware of how others may be experiencing this time in our lives, inspire us to more deeply connect with each other, flex our empathy muscles, and perhaps even offer ourselves more compassion and patience during a challenging time.

It has served to normalize and open up the dialogue for all employees – including between managers and direct reports – on some of the more unstated challenges of the pandemic.

Equinix also launched a 24-hour grassroots event, called "WeConnect," which utilized Zoom lines, breakout rooms, open chat, and videos to bring employees together to discuss systemic racism, social justice, and self-care. This event featured employee-led "Courageous Conversations" around identity, race, prejudice, inclusion, intersectionality, and being an ally. WeConnect drew in more than 1,800 unique participants, and created an opportunity for employees to come together and work toward change within the organization and the community at-large.

“[Nothing Left Unsaid] has been really powerful in creating space to talk about what’s been happening for employees. We’ve got an incredible response from it.”

– Janet Ladd, Director of Inclusion and Belonging, Equinix²⁶

Trend #2

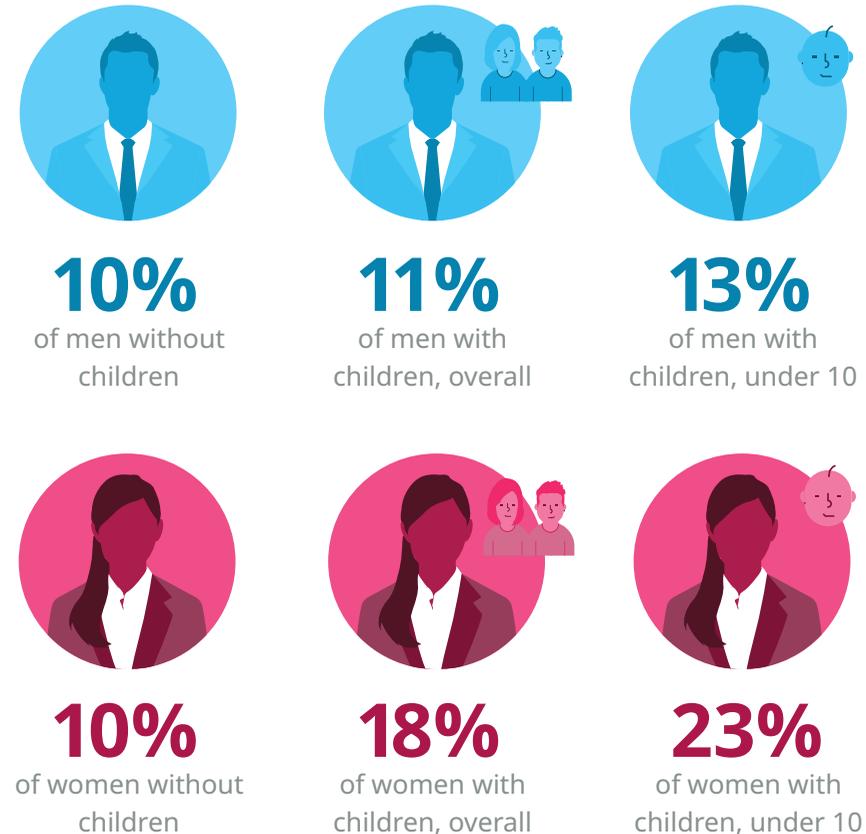
Bringing back caregivers

The pandemic heightened the existing gender inequality in the workplace and many women are working a “double-double shift” as they take on more work at home. As you attempt to meet new and more ambitious DEIB goals, bringing women back into the workplace, or figuring out how to support them during the pandemic, will be part of the equation.

“You may be struggling now, but if you don’t dig deep, if you don’t make major investments in supporting working parents in different ways, you will have lost years of hard-earned progress.”

– Rachel Thomas, CEO, Lean In²⁷

Figure 9: Considering Leaving the Workforce
(e.g., taking a leave of absence or leaving the workforce entirely)



Source: Women in the Workplace 2020, Leanin.Org and McKinsey, 2020.²⁸

Trend #3

A need to walk the talk

While many companies were swift in putting out statements of support after the killing of George Floyd, Breonna Taylor, and others, that won't be enough. As time passes, there'll be growing pressure for organizations to show meaningful progress on those statements.

Key to doing this: You need to make more data and accountability broadly available to organizations' stakeholders.

Organizations know the importance of DEIB to their financial earnings. Data from RBC shows that 40% of S&P 500 companies have discussed diversity and inclusion policies during second-quarter earnings calls, up from 4% in the first quarter of 2020 and 6% during the same quarter in 2019.

All organizations' stakeholders are watching what they'll do. The question becomes: Will you be able to show positive action since last summer? Organizations that cannot are at serious reputational risk.

44%

of 2,000 surveyed respondents believe that the business community has taken concrete action

38%

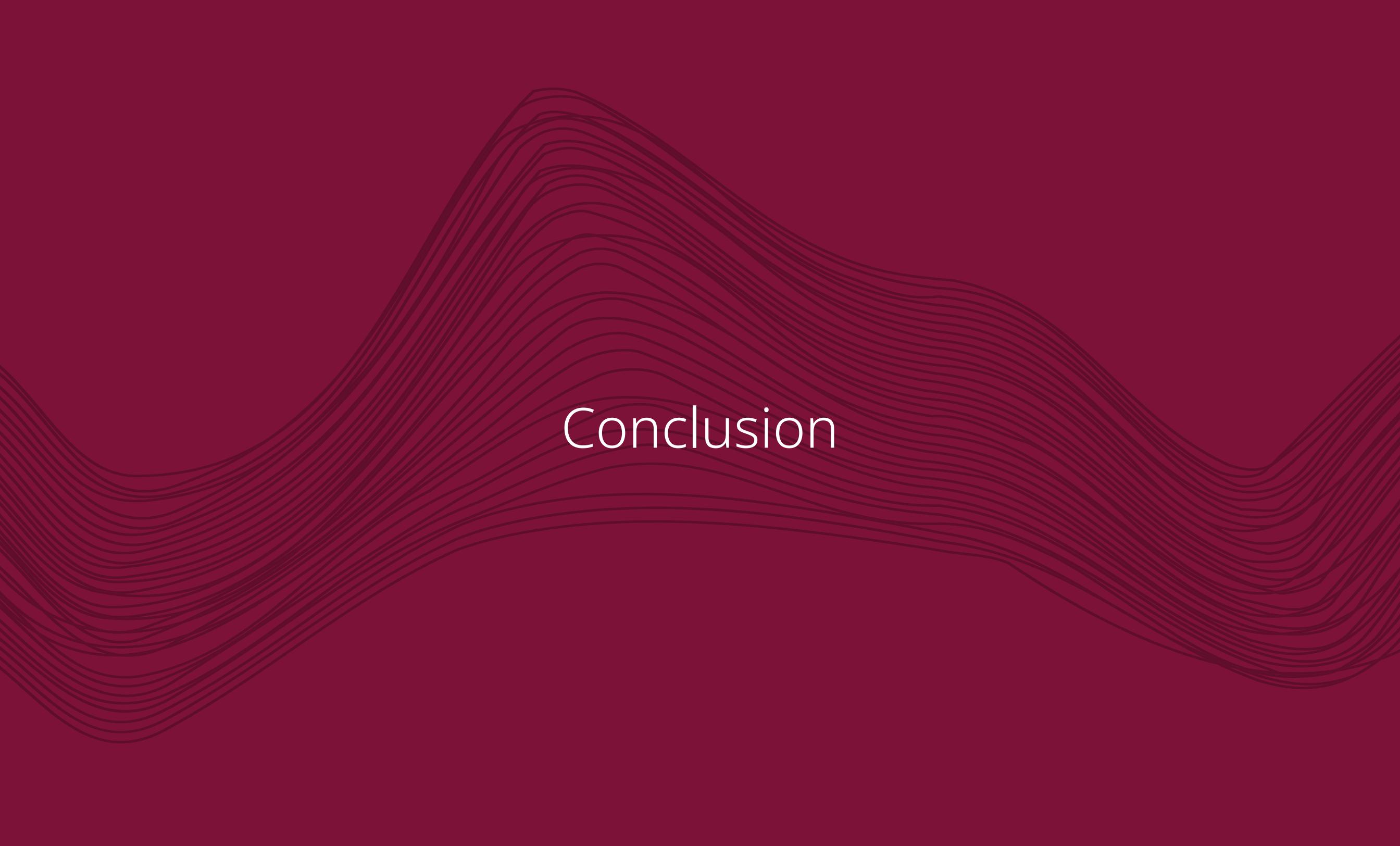
of S&P 500 companies announced initiatives and action plans since George Floyd was killed by Minneapolis police officers in May

71%

of employees currently have a high degree of trust in their company; however, this can easily be lost if companies don't hold themselves accountable for their actions or lack of them



Source: Edelman, Diversity, Inc., 2020.²⁹



Conclusion

The time is now for DEIB leadership

The time is now

2020 created a unique set of conditions that made people, organizations, and society more open to making meaningful changes to diversity, equity, inclusion, and belonging than ever before.

Create a holistic DEIB system

While it remains crucial that you create DEIB strategies aligned to specific needs, you also need to create alignment across the entire DEIB system – from “why” the organization focuses on DEIB down to leaders’ data, analytics, and metrics. This will create a much more cohesive and strong system to support DEIB.

Be prepared

Our research indicates that this moment – as organizations are plotting their course for 2021 – is one which you should seize. None of us know for sure what the next year will bring, but we do know that, by creating an aligned DEIB system, your organization will be better prepared to tackle whatever comes next.

Figure 10: 6 Questions to Align DEIB Efforts



Source: RedThread Research, 2020.

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Stacia is a researcher, and thought leader on talent management, leadership, D&I, people analytics, and HR technology. A frequent speaker and writer, her work has been featured in *Fortune*, *Forbes*, *The New York Times*, and *The Wall Street Journal* as well as in numerous HR trade publications. Stacia co-founded RedThread Research in 2018 after leading talent and workforce research for eight years at Bersin by Deloitte. Before Bersin, Stacia spent nearly five years conducting research and creating learning content for the Corporate Leadership Council, part of CEB/Gartner. She has an MBA from the University of California, Berkeley, a master's degree from the London School of Economics, and undergraduate degrees from Randolph-Macon Woman's College.



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